
STATUTORY INSTRUMENTS

1998 No. 2767

VALUE ADDED TAX

The Value Added Tax (Input Tax) (Amendment) Order 1998

Made - - - - 12th November 1998
Laid before the House of
Commons - - - - 12th November 1998
Coming into force on - - 13th November 1998

The Treasury, in exercise of the powers conferred on them by section 25(7) of the Value Added Tax Act 1994⁽¹⁾ and of all other powers enabling them in that behalf hereby make the following Order:

1. This Order may be cited as the Value Added Tax (Input Tax) (Amendment) Order 1998, and shall come into force on 13th November 1998 in respect of VAT charged on supplies received, or acquisitions from another member State or importations made, on or after that date.
2. Article 7 of the Value Added Tax (Input Tax) Order 1992⁽²⁾ shall be amended as follows—
 - (a) in paragraph (2)(a)(ii), for “let on hire or supplied to” there shall be substituted “supplied (including on a letting on hire) to”; and
 - (b) in paragraph (2)(b), after “qualifying motor car” there shall be inserted “(other than a supply on a letting on hire of a motor car which is not a qualifying motor car by virtue only of the application of paragraph (2C)⁽³⁾ below, to a person whose supply on a letting on hire prior to 1st August 1995 resulted in the application of that paragraph)”.

Two of the Lords Commissioners of Her Majesty’s Treasury

12th November 1998

Jane Kennedy
Jim Dowd

(1) 1994 c. 23.
(2) S.I. 1992/3222; paragraph (2) was substituted by article 5 of S.I. 1995/1666.
(3) Paragraph (2C) was inserted by article 6 of S.I. 1995/1666.

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

EXPLANATORY NOTE

(This note is not part of the Order)

This Order, which comes into force on 13th November 1998, further amends the Value Added Tax (Input Tax) Order 1992 (S.I.1992/3222). (the principal Order)

Article 2 (a) of the Order clarifies Article 7 (2)(a)(ii) of the principal Order to ensure consistency with the wording of Article 7(1)(a) of the principal Order.

Article 2(b) of the Order amends Article 7(2)(b) of the principal Order to restrict the circumstances in which VAT charged on the leasing charge for a non qualifying motor car may be recovered as input tax. Where a motor car which is prevented from being a qualifying motor car by virtue of the anti avoidance provision contained in article 7(2C) of the principal Order is leased to a person who pre let the car prior to 1st August 1995 that person can now only recover 50% of the VAT charged to them on leasing charges for the motor car incurred after 12th November 1998.