
STATUTORY INSTRUMENTS

2005 No. 3329

VALUE ADDED TAX

The Value Added Tax (Reduced Rate) (No. 2) Order 2005

Made - - - - *5th December 2005*
Laid before the House of
Commons - - - - *5th December 2005*
Coming into force - - *1st January 2006*

The Treasury make the following Order in exercise of the powers conferred on them by sections 29A and 96(9) of the Value Added Tax Act 1994⁽¹⁾:

1. This Order may be cited as the Value Added Tax (Reduced Rate) (No. 2) Order 2005 and comes into force on 1st January 2006.
2. Group 2 of Part 2 of Schedule 7A to the Value Added Tax Act 1994⁽²⁾ is amended as follows.
3. In paragraph 1 of the Notes after paragraph (j) insert—
“(k) boilers designed to be fuelled solely by wood, straw or similar vegetal matter.”.

5th December 2005

Tom Watson
Joan Ryan
Two of the Lords Commissioners of Her
Majesty’s Treasury

(1) [1994 c. 23](#); section 29A was inserted by section 99(4) of the Finance Act 2001 ([c. 9](#)).
(2) Schedule 7A was inserted by section 99(5) of, and Schedule 31 to, the Finance Act 2001. Schedule 7A applies in place of Schedule A1 in relation to supplies made, and acquisitions and importations taking place, on or after 1st November 2001. Group 2 of Schedule 7A has been amended by S.I.[2004/777](#) and S.I. [2005/726](#).

Status: This is the original version (as it was originally made).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 1st January 2006, amends Group 2 of Part 2 of Schedule 7A to the Value Added Tax Act 1994 (“Group 2”). Part 2 of Schedule 7A contains the Groups of supplies of goods and services that are subject to the reduced rate of VAT of 5%.

Article 3 of the Order amends Group 2 (installation of energy-saving materials). Paragraph (k) is added to the list in paragraph 1 of the Notes to extend the reduced rate to supplies of the services of installing boilers fuelled solely by wood, straw or similar vegetal matter in certain buildings and to supplies of the boilers so installed.

By virtue of items 1 and 2 of Group 2, the installation must be in residential accommodation or in a building intended for use solely for a relevant charitable purpose.

A full regulatory impact assessment of the effect that this instrument will have on the costs of businesses is available at www.hmrc.gov.uk.