
STATUTORY INSTRUMENTS

2005 No. 722

VALUE ADDED TAX

The Value Added Tax (Consideration for Fuel Provided for Private Use) Order 2005

Made - - - - *16th March 2005*
Laid before the House of
Commons - - - - *16th March 2005*
Coming into force - - *1st May 2005*

The Treasury, in exercise of the powers conferred upon them by section 57(4) of the Value Added Tax Act 1994(1), hereby make the following Order:

1.—(1) This Order may be cited as the Value Added Tax (Consideration for Fuel Provided for Private Use) Order 2005 and comes into force on 1st May 2005.

(2) It takes effect in relation to a taxable person from the beginning of his first prescribed accounting period beginning after 30th April 2005.

2. For Table A in section 57 of the Value Added Tax Act 1994(2) substitute—

TABLE A

<i>Description of vehicle (Type of engine and cylinder capacity in cubic centimetres)</i>	<i>12 month period £</i>	<i>3 month period £</i>	<i>1 month period £</i>
Diesel engine			
2000 or less	945	236	78
More than 2000	1200	300	100
Any other type of engine			
1400 or less	985	246	82

(1) 1994 c. 23.

(2) Table A was last substituted by S.I.2004/776.

Status: This is the original version (as it was originally made).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

<i>Description of vehicle (Type of engine and cylinder capacity in cubic centimetres)</i>	<i>12 month period £</i>	<i>3 month period £</i>	<i>1 month period £</i>
More than 1400 but not more than 2000	1245	311	103
More than 2000	1830	457	152

16th March 2005

Jim Murphy
Nick Ainger
Two of the Lords Commissioners of Her Majesty's Treasury

EXPLANATORY NOTE

(This note is not part of the Order)

VAT is payable if road fuel of a business is used for private motoring. The VAT due must be calculated using flat-rate values related to engine type and size **(3)**.

This Order increases those flat rates by an average of 9.4 per cent for diesel vehicles and 5.8 per cent for vehicles using other fuels. This reflects the increase in road fuel costs which has occurred since Table A in section 57 of the Value Added Tax Act 1994**(4)** was last amended **(5)**.

This Order gives effect to Article 2 of Council Decision [86/356/EEC](#)**(6)** (of 21 July 1986 authorising the United Kingdom to apply flat-rate measures in respect of the non-deductible value added tax charged on fuel expenditure in company cars) which requires the flat rates to be adjusted annually in line with changes in the average cost of fuel.

The new rates apply to any relevant accounting period starting after 30th April 2005**(7)**.

A full regulatory impact assessment has not been produced for this instrument as it has no impact on business, charities or voluntary bodies.

(3) Sections 56 and 57 of the Value Added Tax Act 1994.

(4) [1994 c. 23](#).

(5) Table A was last substituted by S.I. [2004/776](#).

(6) OJ No L212, 2.8.1986, p35.

(7) See articles 1(2) and 2 of the Order.