
STATUTORY INSTRUMENTS

2007 No. 1601

VALUE ADDED TAX

The Value Added Tax (Reduced Rate) Order 2007

<i>Made</i>	- - - -	<i>4th June 2007</i>
<i>Laid before the House of Commons</i>	- - - -	<i>5th June 2007</i>
<i>Coming into force</i>	- -	<i>1st July 2007</i>

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

1.—(1) This Order may be cited as the Value Added Tax (Reduced Rate) Order 2007 and comes into force on 1st July 2007.

(2) Articles 3(a) and 4 have effect in relation to supplies made on or after 1st July 2007.

(3) Articles 3(b) and 5 have effect in relation to supplies made on or after 1st July 2007 but before 1st July 2008.

2. Schedule 7A to the Value Added Tax Act 1994 (charge at reduced rate)⁽²⁾ is amended as follows.

3. In Part 1—

(a) after the entry for “Heating equipment, security goods and gas supplies etc” insert—

“Installation of mobility aids for the elderly.....Group 10”; and

(b) after the entry for “Residential conversions” insert—

“Smoking cessation products.....Group 11”.

4. In Part 2, insert at the end—

“GROUP 10 – INSTALLATION OF MOBILITY AIDS FOR THE ELDERLY

ITEM NO.

1. The supply of services of installing mobility aids for use in domestic accommodation by a person who, at the time of the supply, is aged 60 or over.

(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. Schedule 7A has been amended but the amendments are not relevant to this Order.

2. The supply of mobility aids by a person installing them for use in domestic accommodation by a person who, at the time of the supply, is aged 60 or over.

NOTES:

Meaning of “mobility aids”

1. For the purposes of this Group “mobility aids” means any of the following—
 - (a) grab rails;
 - (b) ramps;
 - (c) stair lifts;
 - (d) bath lifts;
 - (e) built-in shower seats or showers containing built-in shower seats;
 - (f) walk-in baths fitted with sealable doors.

Meaning of “domestic accommodation”

2. For the purposes of this Group “domestic accommodation” means a building, or part of a building, that consists of a dwelling or a number of dwellings.”.

5. In Part 2, after Group 10 (as inserted by Article 4) insert—

“GROUP 11 — SMOKING CESSATION PRODUCTS

ITEM NO.

1. Supplies of pharmaceutical products designed to help people to stop smoking tobacco.”

4th June 2007

Dave Watts
Alan Campbell
Two of the Lords Commissioners of Her
Majesty’s Treasury

EXPLANATORY NOTE

(This note is not part of the Order)

This Order, which comes into force on 1st July 2007, amends Schedule 7A to the Value Added Tax Act 1994. Part 2 of that Schedule contains the Groups of supplies of goods and services that are subject to the reduced rate of VAT of 5% and Part 1 contains the Index to those Groups.

Article 3 of the Order adds new Groups 10 (mobility aids for the elderly) and 11 (smoking cessation products) to the Index in Part 1 of Schedule 7A.

Articles 4 and 5 of the Order add new Groups 10 and 11 to Part 2 of Schedule 7A.

The new Group 10 extends the reduced rate to certain supplies of services of installing mobility aids as defined in private dwellings together with the supplies of the mobility aids themselves. To qualify, the supplies must be for use in domestic accommodation by an elderly person (a person aged 60 or over).

The new Group 11 extends the reduced rate to supplies of smoking cessation products which are pharmaceutical products designed to help people to stop smoking tobacco for the period 1st July 2007 to 30th June 2008.

A full regulatory impact assessment has not been produced for this instrument as no impact on the private or voluntary sectors is foreseen.