



Finance Act 1980

1980 CHAPTER 48

PART II

VALUE ADDED TAX

11 Liability to be registered

- (1) Paragraph 1 of Schedule 1 to the Finance Act 1972 (liability to be registered) shall be amended as provided in subsections (2), (3) and (4) below.
- (2) For sub-paragraph (a) there shall be substituted—
 - “(a) after the end of any quarter, if the value of his taxable supplies—
 - (i) in that quarter has exceeded £4,000 ; or
 - (ii) in the four quarters then ending has exceeded £13,500; or”.
- (3) In sub-paragraph (b) for " £10,000 " there shall be substituted " £13,500 ".
- (4) For the words from " except " to the end of the paragraph there shall be substituted the words " except that a person is not liable to be registered by virtue of sub-paragraph (a) (i) above after the end of any quarter if the Commissioners are satisfied that the value of his taxable supplies in that quarter and the next three quarters will not exceed £13,500. "
"
- (5) In section 20(1) of the said Act of 1972 (registration of local authorities) for " £10,000 ", in both places, there shall be substituted " £13,500 ".
- (6) This section shall be deemed to have come into force on 27th March 1980.

12 Termination of liability to be registered

- (1) Paragraph 2 of Schedule 1 to the Finance Act 1972 (termination of liability to be registered) shall be amended as follows.
- (2) For sub-paragraph (a) there shall be substituted—

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“(a) after the end of any quarter or prescribed accounting period if he has been registered for the whole of the two years then ending and the value of his taxable supplies in each of those years has been £13,500 or less; and”.

- (3) In sub-paragraph (b) for " £8,500 " there shall be substituted " £12,500 ".
- (4) After paragraph (b) there shall be inserted the words " except that a person shall not at any time cease to be liable to be registered by virtue of sub-paragraph (a) above if there are reasonable grounds for believing that the value of his taxable supplies in the period of one year then beginning will exceed £13,500. ".
- (5) This section shall be deemed to have come into force on 1st June 1980.

13 Deemed supply on de-registration

- (1) Paragraph 7 of Schedule 2 to the Finance Act 1972 (deemed supply of business assets where person ceases to be taxable) shall be amended as follows.
- (2) For paragraph 7(c) and (d) there shall be substituted—
- “(c) the tax on the deemed supply would not be more than £250.”.
- (3) The existing provisions of paragraph 7 as amended by subsection (2) above shall become sub-paragraph (1) and after those provisions there shall be inserted—
- “(2) This paragraph does not apply to any goods in the case of which the taxable person can show to the satisfaction of the Commissioners—
- (a) that no credit for input tax in respect of the supply or importation of the goods has been allowed to him;
 - (b) that the goods were not acquired by him as part of the assets of a business which was transferred to him as a going concern by another taxable person; and
 - (c) that he has not obtained relief in respect of the goods under section 4 of the Finance Act 1973 (tax- or duty-paid stock held at commencement of VAT).
- (3) The Treasury may by order increase or further increase the sum specified in sub-paragraph (1)(c) above.”.
- (4) This section shall be deemed to have come into force on 1st June 1980.

14 Penalties and assessments

- (1) After section 38(7) of the Finance Act 1972 (daily penalty of £10 for failure to comply with certain requirements) there shall be inserted—
- “(7A) Where the failure referred to in subsection (7) of this section consists—
- (a) in not paying the tax due in respect of any period within the time required by regulations under section 3(1) of this Act; or
 - (b) in not furnishing a return in respect of any period within the time required by regulations under section 30(2) of this Act,
- that subsection shall have effect as if for £10 there were substituted (if it is greater) an amount equal to \ per cent, of the tax due in respect of that period; and for that purpose the tax due shall, if the person concerned has furnished

a return, be taken to be the tax shown in the return as that for which he is accountable for that period and, in any other case, be taken to be such tax as has been assessed and notified to him under section 31(1) of this Act.”

- (2) In section 40(1) of the said Act of 1972 (matters in respect of which there is a right of appeal) for paragraph (b) there shall be substituted—

“(b) an assessment—

- (i) under subsection (1) of section 31 of this Act in respect of a period for which the appellant has made a return under this Part of this Act; or
- (ii) under subsection (3) of that section, or the amount of such an assessment;”.

15 Registration of clubs etc. and transfers of going concerns

- (1) In section 23 of the Finance Act 1972 (business carried on by unincorporated bodies etc.) after subsection (2) there shall be inserted—

“(2A) The registration under this Part of this Act of any such club, association or organisation may be in the name of the club, association or organisation; and in determining whether goods or services are supplied to or by such a club, association or organisation, no account shall be taken of any change in its members.”.

- (2) The provisions of section 25 of the said Act of 1972 (transfers of going concerns) shall become subsection (1) and after those provisions there shall be inserted—

“(2) Without prejudice to subsection (1) of this section, the Commissioners may by regulations make provision for securing continuity in the application of this Part of this Act in cases where a business carried on by a taxable person is transferred to another person as a going concern and the transferee is registered under this Part of this Act in substitution for the transferor.

- (3) Regulations under subsection (2) of this section may, in particular, provide—

- (a) for liabilities and duties under this Part of this Act of the transferor to become, to such extent as may be provided by the regulations, liabilities and duties of the transferee ; and
- (b) for any right of either of them to a repayment or credit in respect of tax to be satisfied by making a repayment or allowing a credit to the other;

but no such provision as is mentioned in paragraph (a) or (b) of this subsection shall have effect in relation to any transferor and transferee unless an application in that behalf has been made by them under the regulations.”

- (3) This section shall come into force on 1st September 1980.

16 Use of computers

- (1) Subject to subsection (2) below, in any provision contained in or having effect under the enactments relating to value added tax " document " , " copy " and " computer " shall have the same meanings—

- (a) in relation to England and Wales, as by virtue of section 10 of the Civil Evidence Act 1968 they have in Part I of that Act;

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- (b) in relation to Scotland, as by virtue of section 17 of the Law Reform (Miscellaneous Provisions) (Scotland) Act 1968 they have in Part III of that Act; and
- (c) in relation to Northern Ireland, as by virtue of section 6 of the Civil Evidence Act (Northern Ireland) 1971 they have in Part I of that Act;

and for the purposes of any such provision relating to tax invoices a person shall be treated as issuing, or as providing another person with, a tax invoice if the requisite particulars are recorded in a computer and transmitted by electronic means and without the delivery of any document.

- (2) No provision relating to tax invoices shall be treated as complied with by the production by means of a computer of any material other than a document in writing, by delivering any such material so produced or by making any such transmission as is mentioned in subsection (1) above unless the person producing or delivering the material or making the transmission and, in the case of delivered material or a transmission, the person receiving it—
 - (a) has given the Commissioners at least one month's notice in writing that he proposes to produce or deliver such material or make such transmissions or, as the case may be, receive such material or transmissions ; and
 - (b) complies with such requirements as may be specified in regulations or as the Commissioners may from time to time impose in his case.
- (3) In section 40(1) of the Finance Act 1972 (appeals to value added tax tribunals) after paragraph (1) there shall be inserted—
 - “(m) any requirements imposed by the Commissioners in a particular case under section 16(2)(b) of the Finance Act 1980.”
- (4) An authorised person—
 - (a) shall be entitled at any reasonable time to have access to, and to inspect and check the operation of, any computer and any associated apparatus or material which is or has been in use by a taxable person in connection with the production, delivery or receipt of material which is or purports to be a tax invoice or with the transmission as mentioned in subsection (1) above of particulars which are or purport to be particulars of such an invoice ; and
 - (b) may require the taxable person or any other person having charge of any such computer, apparatus or material to afford him such assistance as he may require for the purposes of paragraph (a) above.
- (5) Any person who obstructs an authorised person in the exercise of his powers under paragraph (a) of subsection (4) above or without reasonable excuse fails to comply with a requirement under paragraph (b) of that subsection shall be liable to a penalty of £500.
- (6) This section shall be construed as one with Part I of the said Act of 1972.

17 Mutual recovery and disclosure of information between member States

- (1) In section 11(1) of the Finance Act 1977 (recovery of duty etc. due in other member States) the reference to the Directive there mentioned shall include a reference to that Directive as extended to value added tax by the Directive of the Council of the European Communities dated 6th December 1979 No. 79/1071 /EEC.

- (2) In section 77 of the Finance Act 1978 (disclosure of information to tax authorities in other member States)—
- (a) references to the Directive mentioned in subsection (1) shall include references to that Directive as extended to value added tax by the Directive of the Council of the European Communities dated 6th December 1979 No. [79/1070/EEC](#); and
 - (b) references to the Commissioners of Inland Revenue and an authorised officer of those Commissioners shall include references to the Commissioners of Customs and Excise and an authorised officer of those Commissioners.
- (3) Subsection (1) above shall have effect as respects any request made on or after 1st January 1981 for the recovery of a sum becoming due after the passing of this Act; and subsection (2) above shall come into force on 1st January 1981.