

Changes to legislation: There are currently no known outstanding effects for the Value Added Tax Act 1994, Group 2 — Installation of energy-saving materials from 1st April 2027. (See end of Document for details)

SCHEDULES

^{F1}SCHEDULE 7A

CHARGE AT REDUCED RATE

Textual Amendments

- F1** Sch. 7A inserted (11.5.2001 with effect as mentioned in s. 99(7)(a) of the amending Act) by 2001 c. 9, s. 99(5)(7)(a), **Sch. 31 Pt. 1 para. 1**

PART 2

THE GROUPS

Modifications etc. (not altering text)

- C1** Sch. 7A Pt. 2 modified (30.6.2008) by **The Value Added Tax (Reduced Rate) (Smoking Cessation Products) Order 2008 (S.I. 2008/1410)**, arts. 13
- C1** Sch. 7A Pt. 2 modifications by 2020 SI 728, art. 4 continued (with effect in accordance with s. 93(5)-(10) of the amending Act) by **Finance Act 2021 (c. 26)**, s. **93(1)**

GROUP 2 — INSTALLATION OF ENERGY-SAVING MATERIALS [^{F1}FROM 1ST APRIL 2027]

Textual Amendments

- F1** Words in Sch. 7A Pt. 2 Group 2 heading substituted (1.5.2023) by **The Value Added Tax (Installation of Energy-Saving Materials) Order 2023 (S.I. 2023/376)**, arts. 1, **4(3)(a)**

- [^{F2}1 Relevant supplies of services of installing energy-saving materials in [^{F3}—]
(a) residential accommodation, or
(b) a building intended for use solely for a relevant charitable purpose.]

Textual Amendments

- F2** Sch. 7A Pt. 2 Group 2 Items 1, 2 substituted (1.5.2023) by **The Value Added Tax (Installation of Energy-Saving Materials) Order 2023 (S.I. 2023/376)**, arts. 1, **4(3)(b)**
- F3** Words in Sch. 7A Pt. 2 Item 1 substituted (1.2.2024) by **The Value Added Tax (Installation of Energy-Saving Materials) Order 2024 (S.I. 2024/24)**, arts. 1(2), **2(2)**

- [^{F2}2. Relevant supplies of energy-saving materials by a person who installs those materials in [^{F4}—]

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- (a) residential accommodation, or
- (b) a building intended for use solely for a relevant charitable purpose.]

Textual Amendments

F2 Sch. 7A Pt. 2 Group 2 Items 1, 2 substituted (1.5.2023) by The Value Added Tax (Installation of Energy-Saving Materials) Order 2023 (S.I. 2023/376), arts. 1, **4(3)(b)**

F4 Words in Sch. 7A Pt. 2 Item 2 substituted (1.2.2024) by The Value Added Tax (Installation of Energy-Saving Materials) Order 2024 (S.I. 2024/24), arts. 1(2), **2(2)**

^{F5}3.

Textual Amendments

F5 Sch. 7A Pt. 2 Group 2 Item 3 omitted (1.5.2023) by virtue of The Value Added Tax (Installation of Energy-Saving Materials) Order 2023 (S.I. 2023/376), arts. 1, **4(3)(c)**

NOTES:

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^{F6}A1.

Textual Amendments

F6 Sch. 7A Pt. 2 Group 2 Note A1 and heading omitted (1.5.2023) by virtue of The Value Added Tax (Installation of Energy-Saving Materials) Order 2023 (S.I. 2023/376), arts. 1, **4(3)(d)(i)**

Meaning of “energy-saving materials”

1 [^{F7}(1)] For the purposes of this Group “energy-saving materials” means any of the following—

- (a) insulation for walls, floors, ceilings, roofs or lofts or for water tanks, pipes or other plumbing fittings;
- (b) draught stripping for windows and doors;
- (c) central heating system controls (including thermostatic radiator valves);
- (d) hot water system controls;
- (e) solar panels;
- [^{F8}(f) wind turbines;
- (g) water turbines;]
- ^{F9}(f)
- ^{F9}(g)
- [^{F10}(h) ground source heat pumps;]
- [^{F11}(i) micro combined heat and power units. air source heat pumps;
- [water source heat pumps;]
- ^{F12}(ia)
- (j) micro combined heat and power units;]

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- [^{F13}(k) boilers designed to be fuelled solely by wood, straw or similar vegetal matter.]
- [^{F14}(l) electrical storage batteries within sub-paragraph (2);
 - (m) smart diverters.]
- [^{F15}(2) An electrical storage battery is within this sub-paragraph if it is intended for use solely for storing energy converted from electricity that was—
 - (a) supplied to the residential accommodation or building in question, or
 - (b) generated by a microgeneration system.
- (3) In sub-paragraph (2), “supplied” is to be construed in accordance with Part 1 of the Electricity Act 1989 (see section 64(1) of that Act).
- (4) In sub-paragraph (1)(m), “smart diverter” means a device capable of automatically diverting electricity generated by a microgeneration system to one or more appliances, in particular circumstances.
- (5) In sub-paragraphs (2) and (4), “microgeneration system” means equipment—
 - (a) that generates electricity, and
 - (b) that is itself an energy-saving material for the purposes of this Group.]

Textual Amendments

- F7** Sch. 7A Pt. 2 Group 2 Notes para. 1 renumbered as Sch. 7A Pt. 2 Group 2 Notes para. 1(1) (1.2.2024) by [The Value Added Tax \(Installation of Energy-Saving Materials\) Order 2024 \(S.I. 2024/24\)](#), arts. 1(2), **2(3)(a)**
- F8** Sch. 7A Pt. 2 Group 2 Note 1(f)(g) inserted (1.5.2023) by [The Value Added Tax \(Installation of Energy-Saving Materials\) Order 2023 \(S.I. 2023/376\)](#), arts. 1, **4(3)(d)(ii)**
- F9** Sch. 7A Pt. 2 Group 2 Note 1(f)(g) omitted (1.10.2019) by virtue of [The Value Added Tax \(Reduced Rate\) \(Energy-Saving Materials\) Order 2019 \(S.I. 2019/958\)](#), arts. 1(1), **5** (with art. 1(2))
- F10** Sch. 7A Pt. 2 Group 2 Note 1(h) inserted (1.6.2004) by [The Value Added Tax \(Reduced Rate\) Order 2004 \(S.I. 2004/777\)](#), arts. 1, **3**
- F11** Sch. 7A Pt. 2 Group 2 Note 1(i)(j) inserted (7.4.2005) by [The Value Added Tax \(Reduced Rate\) Order 2005 \(S.I. 2005/726\)](#), arts. 1, **3**
- F12** Sch. 7A Pt. 2 Group 2 Notes para. 1(1)(ia) inserted (1.2.2024) by [The Value Added Tax \(Installation of Energy-Saving Materials\) Order 2024 \(S.I. 2024/24\)](#), arts. 1(2), **2(3)(b)**
- F13** Sch. 7A Pt. 2 Group 2 Note 1(k) inserted (1.1.2006) by [The Value Added Tax \(Reduced Rate\) \(No. 2\) Order 2005 \(S.I. 2005/3329\)](#), arts. 1, **3**
- F14** Sch. 7A Pt. 2 Group 2 Notes para. 1(1)(l)(m) inserted (1.2.2024) by [The Value Added Tax \(Installation of Energy-Saving Materials\) Order 2024 \(S.I. 2024/24\)](#), arts. 1(2), **2(3)(c)**
- F15** Sch. 7A Pt. 2 Group 2 Notes para. 1(2)-(5) inserted (1.2.2024) by [The Value Added Tax \(Installation of Energy-Saving Materials\) Order 2024 \(S.I. 2024/24\)](#), arts. 1(2), **2(3)(d)**

Installation of heat pumps

- [^{F16}1A For the purposes of item 1, “installing energy-saving materials” includes carrying out groundworks, or dredging a body of water, in order to install pipework or other equipment necessary for the operation of a ground source heat pump or a water source heat pump.]

Changes to legislation: There are currently no known outstanding effects for the Value Added Tax Act 1994, Group 2 — Installation of energy-saving materials from 1st April 2027. (See end of Document for details)

Textual Amendments

F16 Sch. 7A Pt. 2 Group 2 Notes para. 1A and cross-heading inserted (1.2.2024) by [The Value Added Tax \(Installation of Energy-Saving Materials\) Order 2024 \(S.I. 2024/24\)](#), arts. 1(2), **2(4)**

Meaning of “residential accommodation”

- 2 (1) For the purposes of this Group “residential accommodation” means—
- (a) a building, or part of a building, that consists of a dwelling or a number of dwellings;
 - (b) a building, or part of a building, used for a relevant residential purpose;
 - (c) a caravan used as a place of permanent habitation; or
 - (d) a houseboat.
- (2) For the purposes of this Group “use for a relevant residential purpose” has the same meaning as it has for the purposes of Group 1 (see paragraph 7(1) of the Notes to that Group).
- (3) In sub-paragraph (1)(d) “houseboat” has the meaning given by paragraph 7(3) of the Notes to Group 1.

Meaning of “use for a relevant charitable purpose”

- [^{F17}3 For the purposes of this Group a building is used “for a relevant charitable purpose” if it is used by a charity—
- (a) otherwise than in the course or furtherance of a business, or
 - (b) as a village hall or similarly in providing social or recreational facilities for a local community.]

Textual Amendments

F17 Sch. 7A Pt. 2 Group 2 Notes para. 3 and cross-heading inserted (1.2.2024) by [The Value Added Tax \(Installation of Energy-Saving Materials\) Order 2024 \(S.I. 2024/24\)](#), arts. 1(2), **2(5)**

Meaning of “use for a relevant charitable purpose”

^{F18}3

Textual Amendments

F18 Sch. 7A Pt. 2 Group 2 Note 3 omitted (with effect in accordance with s. 193(4) of the amending Act) by virtue of [Finance Act 2013 \(c. 29\)](#), s. **193(3)**

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^{F19}4.

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Textual Amendments

F19 Sch. 7A Pt. 2 Group 2 Note 4 and heading omitted (1.5.2023) by virtue of [The Value Added Tax \(Installation of Energy-Saving Materials\) Order 2023 \(S.I. 2023/376\)](#), arts. 1, **4(3)(d)(iii)**

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F205.

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Textual Amendments

F20 Sch. 7A Pt. 2 Group 2 Note 5 and heading omitted (1.5.2023) by virtue of [The Value Added Tax \(Installation of Energy-Saving Materials\) Order 2023 \(S.I. 2023/376\)](#), arts. 1, **4(3)(d)(vi)**

[^{F21}Meaning of “relevant supplies”]

[^{F21}6. For the purposes of this Group “relevant supplies” means supplies made on or after 1st April 2027.]

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Textual Amendments

F21 Sch. 7A Pt. 2 Group 2 Note 6 and heading inserted (1.5.2023) by [The Value Added Tax \(Installation of Energy-Saving Materials\) Order 2023 \(S.I. 2023/376\)](#), arts. 1, **4(3)(d)(v)**

Changes to legislation:

There are currently no known outstanding effects for the Value Added Tax Act 1994, Group 2 — Installation of energy-saving materials from 1st April 2027.