

Changes to legislation: There are currently no known outstanding effects for the Value Added Tax Act 1994, Group 3 — Grant-funded installation of heating equipment or security goods or connection of gas supply. (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 3 — GRANT-FUNDED INSTALLATION OF HEATING EQUIPMENT OR SECURITY GOODS OR CONNECTION OF GAS SUPPLY

ITEM NO.

- 1 Supplies to a qualifying person of any services of installing heating appliances in the qualifying person's sole or main residence.
- 2 Supplies of heating appliances made to a qualifying person by a person who installs those appliances in the qualifying person's sole or main residence.
- 3 Supplies to a qualifying person of services of connecting, or reconnecting, a mains gas supply to the qualifying person's sole or main residence.
- 4 Supplies of goods made to a qualifying person by a person connecting, or reconnecting, a mains gas supply to the qualifying person's sole or main residence, being goods whose installation is necessary for the connection, or reconnection, of the mains gas supply.
- 5 Supplies to a qualifying person of services of installing, maintaining or repairing a central heating system in the qualifying person's sole or main residence.
- 6 Supplies of goods made to a qualifying person by a person installing, maintaining or repairing a central heating system in the qualifying person's sole or main residence,

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- being goods whose installation is necessary for the installation, maintenance or repair of the central heating system.
- 7 Supplies consisting in the leasing of goods that form the whole or part of a central heating system installed in the sole or main residence of a qualifying person.
- 8 Supplies of goods that form the whole or part of a central heating system installed in a qualifying person's sole or main residence and that, immediately before being supplied, were goods leased under arrangements such that the consideration for the supplies consisting in the leasing of the goods was, in whole or in part, funded by a grant made under a relevant scheme.
- [^{F1}8A Supplies [^{F2}, so far as not falling within Group 23 in Schedule 8,] to a qualifying person of services of installing, maintaining or repairing a renewable source heating system in the qualifying person's sole or main residence.

Textual Amendments

- F1** Sch. 7A Pt. II Group 3 Item 8A, 8B inserted (1.6.2002) by [The Value Added Tax \(Reduced Rate\) Order 2002 \(S.I. 2002/1100\)](#), [art. 3\(a\)](#)
- F2** Words in Sch. 7A Pt. 2 Group 3 Item 8A inserted (1.4.2022) by [The Value Added Tax \(Installation of Energy-Saving Materials\) Order 2022 \(S.I. 2022/361\)](#), [arts. 2, 6](#)

- 8B Supplies [^{F3}, so far as not falling within Group 23 in Schedule 8,] of goods made to a qualifying person by a person installing, maintaining or repairing a renewable source heating system in the qualifying person's sole or main residence, being goods whose installation is necessary for the installation, maintenance or repair of the system.]

Textual Amendments

- F1** Sch. 7A Pt. II Group 3 Item 8A, 8B inserted (1.6.2002) by [The Value Added Tax \(Reduced Rate\) Order 2002 \(S.I. 2002/1100\)](#), [art. 3\(a\)](#)
- F3** Words in Sch. 7A Pt. 2 Group 3 Item 8B inserted (1.4.2022) by [The Value Added Tax \(Installation of Energy-Saving Materials\) Order 2022 \(S.I. 2022/361\)](#), [arts. 2, 6](#)

- 9 Supplies to a qualifying person of services of installing qualifying security goods in the qualifying person's sole or main residence.
- 10 Supplies of qualifying security goods made to a qualifying person by a person who installs those goods in the qualifying person's sole or main residence.

NOTES:

Supply only included so far as grant-funded

- 1 (1) Each of [^{F4}items 1 to 7 and 8A to 10] applies to a supply only to the extent that the consideration for the supply is, or is to be, funded by a grant made under a relevant scheme.
- (2) Item 8 applies to a supply only to the extent that the consideration for the supply—
- is, or is to be, funded by a grant made under a relevant scheme; or
 - is a payment becoming due only by reason of the termination (whether by the passage of time or otherwise) of the leasing of the goods in question.

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Textual Amendments

- F4** Words in Sch. 7A Pt. II Group 3 Note 1(1) substituted (1.6.2002) by [The Value Added Tax \(Reduced Rate\) Order 2002 \(S.I. 2002/1100\)](#), [art. 3\(b\)](#)

Meaning of “relevant scheme”

- 2 (1) For the purposes of this Group a scheme is a “relevant scheme” if it is one which satisfies the conditions specified in this paragraph.
- (2) The first condition is that the scheme has as one of its objectives the funding of the installation of energy-saving materials in the homes of any persons who are qualifying persons.
- (3) The second condition is that the scheme disburses, whether directly or indirectly, its grants in whole or in part out of funds made available to it in order to achieve that objective—
- (a) by the Secretary of State,
 - (b) by the Scottish Ministers,
 - (c) by the National Assembly for Wales,
 - (d) by a Minister (within the meaning given by section 7(3) of the Northern Ireland Act 1998 (c. 47)) or a Northern Ireland department,
 - ^{F5}(e)
 - (f) under an arrangement approved by the Gas and Electricity Markets Authority,
 - (g) under an arrangement approved by the Director General of Electricity Supply for Northern Ireland, or
 - (h) by a local authority.
- (4) The reference in sub-paragraph (3)(f) to an arrangement approved by the Gas and Electricity Markets Authority includes a reference to an arrangement approved by the Director General of Electricity Supply, or the Director General of Gas Supply, before the transfer (under the Utilities Act 2000 (c. 27)) of his functions to the Authority.

Textual Amendments

- F5** Words in [Sch. 7A](#) omitted (31.12.2020) by virtue of [Taxation \(Cross-border Trade\) Act 2018 \(c. 22\)](#), s. 57(3), [Sch. 8 para. 93](#) (with [Sch. 8 para. 99](#)) (with savings and transitional provisions in [S.I. 2019/105](#) (as amended by [S.I. 2020/1495](#), [regs. 1\(2\), 21](#)), [S.I. 2020/1545](#), [Pt. 4](#) and [2020 c. 26](#), [Sch. 7 para. 7\(7\)-\(9\)](#)); [S.I. 2020/1642](#), [reg. 4\(b\)](#) (with [reg. 7](#))

Apportionment of grants that also cover other supplies

- 3 Where a grant is made under a relevant scheme in order—
- (a) to fund a supply of a description to which any of items 1 to 10 applies (“the relevant supply”), and
 - (b) also to fund a supply to which none of those items applies (“the non-relevant supply”),
- the proportion of the grant that is to be attributed, for the purposes of paragraph 1, to the relevant supply shall be the same proportion as the consideration reasonably

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attributable to that supply bears to the consideration for that supply and for the non-relevant supply.

Meaning of “heating appliances”

- 4 For the purposes of items 1 and 2 “heating appliances” means any of the following—
- (a) gas-fired room heaters that are fitted with thermostatic controls;
 - (b) electric storage heaters;
 - (c) closed solid fuel fire cassettes;
 - (d) electric dual immersion water heaters with [^{F6}factory-insulated] hot water tanks;
 - (e) gas-fired boilers;
 - (f) oil-fired boilers;
 - (g) radiators.

Textual Amendments

- F6** Words in Sch. 7A Pt. II Group 3 Note 4(d) substituted (1.6.2002) by [The Value Added Tax \(Reduced Rate\) Order 2002 \(S.I. 2002/1100\)](#), [art. 3\(c\)](#)

Meaning of “central heating system”

- [^{F7}4A For the purposes of items 5 to 8 “central heating system” includes a system which generates electricity.

Textual Amendments

- F7** Sch. 7A Pt. II Group 3 Note 4A, 4B substituted (1.6.2002) by [The Value Added Tax \(Reduced Rate\) Order 2002 \(S.I. 2002/1100\)](#), [art. 3\(d\)](#)

Meaning of “renewable source heating system”

- 4B For the purposes of items 8A and 8B “renewable source heating system” means a space or water heating system which uses energy from—
- (a) renewable sources, including solar, wind and hydroelectric power, or
 - (b) near renewable resources, including ground and air heat.]

Textual Amendments

- F7** Sch. 7A Pt. II Group 3 Note 4A, 4B substituted (1.6.2002) by [The Value Added Tax \(Reduced Rate\) Order 2002 \(S.I. 2002/1100\)](#), [art. 3\(d\)](#)

Meaning of “qualifying security goods”

- 5 For the purposes of items 9 and 10 “qualifying security goods” means any of the following—
- (a) locks or bolts for windows;

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- (b) locks, bolts or security chains for doors;
- (c) spy holes;
- (d) smoke alarms.

Meaning of “qualifying person”

- 6 (1) For the purposes of this Group, a person to whom a supply is made is “a qualifying person” if at the time of the supply he—
- (a) is aged 60 or over; or
 - (b) is in receipt of one or more of the benefits mentioned in sub-paragraph (2).
- (2) Those benefits are—
- (a) council tax benefit under Part 7 of the Contributions and Benefits Act;
 - (b) disability living allowance under Part 3 of the Contributions and Benefits Act or Part 3 of the Northern Ireland Act;
 - (c) [^{F8}any element of child tax credit other than the family element, working tax credit,] housing benefit or income support under Part 7 of the Contributions and Benefits Act or Part 7 of the Northern Ireland Act;
 - (d) an income-based jobseeker’s allowance within the meaning of section 1(4) of the Jobseekers Act 1995 (c. 18) or Article 3(4) of the Jobseekers (Northern Ireland) Order 1995 (S.I. 1995/275 (N.I. 15));
 - (e) disablement pension under Part 5 of the Contributions and Benefits Act, or Part 5 of the Northern Ireland Act, that is payable at the increased rate provided for under section 104 (constant attendance allowance) of the Act concerned;
 - (f) war disablement pension under the Naval, Military and Air Forces Etc. (Disablement and Death) Service Pensions Order 1983 (S.I. 1983/883) that is payable at the increased rate provided for under article 14 (constant attendance allowance) or article 26A (mobility supplement) of that Order.
 - [^{F9}(g) personal independence payment under Part 4 of the Welfare Reform Act 2012 or the corresponding provision having effect in Northern Ireland;
 - (h) armed forces independence payment under a scheme established under section 1 of the Armed Forces (Pensions and Compensation) Act 2004.]
 - [^{F10}(i) universal credit under Part 1 of the Welfare Reform Act 2012 [^{F11}or Part 2 of the Welfare Reform (Northern Ireland) Order 2015].]
- (3) In sub-paragraph (2)—
- (a) “the Contributions and Benefits Act” means the Social Security Contributions and Benefits Act 1992 (c. 4); and
 - (b) “the Northern Ireland Act” means the Social Security Contributions and Benefits (Northern Ireland) Act 1992 (c. 7).

Textual Amendments

- F8** Words in Sch. 7A Pt. II Group 3 para. 6(2)(c) substituted (6.4.2003) by [Tax Credits Act 2002 \(c. 21\)](#), s. 61, [Sch. 3 para. 48](#); [S.I. 2003/962](#), art. 2(3)(d)(iii)
- F9** Sch. 7A Pt. II Group 3 Note 6(2)(g)(h) inserted (8.4.2013) by [The Value Added Tax \(Independence Payment\) Order 2013 \(S.I. 2013/601\)](#), arts. 1, 2

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| <p>F10 Sch. 7A Pt. II Group 3 Note 6(2)(i) inserted (29.4.2013) by The Universal Credit (Consequential, Supplementary, Incidental and Miscellaneous Provisions) Regulations 2013 (S.I. 2013/630), regs. 1(2), 9(2)</p> <p>F11 Words in Sch. 7A Pt. II Group 3 Note (6)(2)(i) inserted (N.I.) (coming into force in accordance with reg. 1(1) of the amending Rule) by The Universal Credit (Consequential, Supplementary, Incidental and Miscellaneous Provisions) Regulations (Northern Ireland) 2016 (S.R. 2016/236), regs. 1(1), 5(2)</p> |
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