



# Value Added Tax Act 1994

## 1994 CHAPTER 23

### PART I

#### THE CHARGE TO TAX

##### *Payment of VAT by taxable persons*

#### 24 Input tax and output tax.

- (1) Subject to the following provisions of this section, “input tax”, in relation to a taxable person, means the following tax, that is to say—
- (a) VAT on the supply to him of any goods or services;
  - (b) <sup>F1</sup>...; and
  - (c) VAT paid or payable by him on the importation of any goods <sup>F2</sup>..., being (in each case) goods or services used or to be used for the purpose of any business carried on or to be carried on by him.

- (2) Subject to the following provisions of this section, “output tax”, in relation to a taxable person, means VAT on supplies which he makes <sup>F3</sup>....

<sup>F4</sup>(3) .....

- (4) The Treasury may by order provide with respect to any description of goods or services that, where goods or services of that description are supplied to a person who is not a taxable person, they shall, in such circumstances as may be specified in the order, be treated for the purposes of subsections (1) and (2) above as supplied to such other person as may be determined in accordance with the order.

- (5) Where goods or services supplied to a taxable person <sup>F5</sup>... or goods imported by a taxable person <sup>F6</sup>... are used or to be used partly for the purposes of a business carried on or to be carried on by him and partly for other purposes [<sup>F7</sup>—

- (a) VAT on supplies <sup>F8</sup>... and importations shall be apportioned so that so much as is referable to the taxable person's business purposes is counted as that person's input tax, and

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- (b) the remainder of that VAT (“the non-business VAT”) shall count as that person's input tax only to the extent (if any) provided for by regulations under subsection (6)(e).]

[<sup>F9</sup>(5A) For the purposes of subsections (1) and (5), a relevant asset held for the purposes of a business carried on or to be carried on by a taxable person is not, in any circumstances, to be regarded as used or to be used for the purposes of the business if, and to the extent that, it is used or to be used for that person's private use or the private use of that person's staff.

(5B) In subsection (5A) “relevant asset” means—

- (a) any interest in land,
- (b) any building or part of a building,
- (c) any civil engineering work or part of such a work,
- (d) any goods incorporated or to be incorporated in a building or civil engineering work (whether by being installed as fixtures or fittings or otherwise),
- (e) any ship, boat or other vessel, or
- (f) any aircraft.]

(6) Regulations may provide—

- (a) for VAT on the supply of goods or services to a taxable person<sup>F10</sup> ... and VAT paid or payable by a taxable person on the importation of goods<sup>F11</sup> ... to be treated as his input tax only if and to the extent that the charge to VAT is evidenced and quantified by reference to such documents [<sup>F12</sup>or other information] as may be specified in the regulations or the Commissioners may direct either generally or in particular cases or classes of cases;
- (b) for a taxable person to count as his input tax, in such circumstances, to such extent and subject to such conditions as may be prescribed, VAT on the supply to him of goods or services<sup>F13</sup> ... or paid by him on the importation of goods<sup>F14</sup> ... notwithstanding that he was not a taxable person at the time of the supply<sup>F15</sup> ... or payment;
- (c) for a taxable person that is a body corporate to count as its input tax, in such circumstances, to such extent and subject to such conditions as may be prescribed, VAT on the supply<sup>F16</sup> ... or importation of goods before the company's incorporation for appropriation to the company or its business or on the supply of services before that time for its benefit or in connection with its incorporation;
- (d) in the case of a person who has been, but is no longer, a taxable person, for him to be paid by the Commissioners the amount of any VAT on a supply of services made to him for the purposes of the business carried on by him when he was a taxable person.
- [<sup>F17</sup>(e) in cases where an apportionment is made under subsection (5), for the non-business VAT to be counted as the taxable person's input tax for the purposes of any provision made by or under section 26 in such circumstances, to such extent and subject to such conditions as may be prescribed.]

[<sup>F18</sup>(6A) Regulations under subsection (6) may contain such supplementary, incidental, consequential and transitional provisions as appear to the Commissioners to be necessary or expedient.]

<sup>F19</sup>(7) .....

*Changes to legislation: There are currently no known outstanding effects for the Value Added Tax Act 1994, Section 24. (See end of Document for details)*

### Textual Amendments

- F1** S. 24(1)(b) omitted (31.12.2020) by virtue of [Taxation \(Cross-border Trade\) Act 2018 \(c. 22\)](#), s. 57(3), [Sch. 8 para. 24\(2\)\(a\)](#) (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. 2 para. 7\(7\)–\(9\)](#)); S.I. 2020/1642, [reg. 4\(b\)](#) (with [reg. 7](#))
- F2** Words in s. 24(1)(c) omitted (31.12.2020) by virtue of [Taxation \(Cross-border Trade\) Act 2018 \(c. 22\)](#), s. 57(3), [Sch. 8 para. 24\(2\)\(b\)](#) (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. 2 para. 7\(7\)–\(9\)](#)); S.I. 2020/1642, [reg. 4\(b\)](#) (with [reg. 7](#))
- F3** Words in s. 24(2) omitted (31.12.2020) by virtue of [Taxation \(Cross-border Trade\) Act 2018 \(c. 22\)](#), s. 57(3), [Sch. 8 para. 24\(3\)](#) (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. 2 para. 7\(7\)–\(9\)](#)); S.I. 2020/1642, [reg. 4\(b\)](#) (with [reg. 7](#))
- F4** S. 24(3) omitted (with application in accordance with [Sch. 8 para. 1\(8\)\(9\)](#) of the amending Act) by virtue of [Finance \(No. 3\) Act 2010 \(c. 33\)](#), [Sch. 8 para. 1\(2\)\(8\)](#)
- F5** Words in s. 24(5) omitted (31.12.2020) by virtue of [Taxation \(Cross-border Trade\) Act 2018 \(c. 22\)](#), s. 57(3), [Sch. 8 para. 24\(4\)\(a\)\(i\)](#) (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. 2 para. 7\(7\)–\(9\)](#)); S.I. 2020/1642, [reg. 4\(b\)](#) (with [reg. 7](#))
- F6** Words in s. 24(5) omitted (31.12.2020) by virtue of [Taxation \(Cross-border Trade\) Act 2018 \(c. 22\)](#), s. 57(3), [Sch. 8 para. 24\(4\)\(a\)\(ii\)](#) (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. 2 para. 7\(7\)–\(9\)](#)); S.I. 2020/1642, [reg. 4\(b\)](#) (with [reg. 7](#))
- F7** Words in s. 24(5) substituted (16.12.2010) by [Finance \(No. 3\) Act 2010 \(c. 33\)](#), [Sch. 8 para. 1\(3\)](#)
- F8** Words in s. 24(5)(a) omitted (31.12.2020) by virtue of [Taxation \(Cross-border Trade\) Act 2018 \(c. 22\)](#), s. 57(3), [Sch. 8 para. 24\(4\)\(b\)](#) (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. 2 para. 7\(7\)–\(9\)](#)); S.I. 2020/1642, [reg. 4\(b\)](#) (with [reg. 7](#))
- F9** S. 24(5A)(5B) inserted (with application in accordance with [Sch. 8 para. 1\(8\)\(9\)](#) of the amending Act) by [Finance \(No. 3\) Act 2010 \(c. 33\)](#), [Sch. 8 para. 1\(4\)\(8\)](#)
- F10** Words in s. 24(6)(a) omitted (31.12.2020) by virtue of [Taxation \(Cross-border Trade\) Act 2018 \(c. 22\)](#), s. 57(3), [Sch. 8 para. 24\(5\)\(a\)\(i\)](#) (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. 2 para. 7\(7\)–\(9\)](#)); S.I. 2020/1642, [reg. 4\(b\)](#) (with [reg. 7](#))
- F11** Words in s. 24(6)(a) omitted (31.12.2020) by virtue of [Taxation \(Cross-border Trade\) Act 2018 \(c. 22\)](#), s. 57(3), [Sch. 8 para. 24\(5\)\(a\)\(ii\)](#) (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. 2 para. 7\(7\)–\(9\)](#)); S.I. 2020/1642, [reg. 4\(b\)](#) (with [reg. 7](#))
- F12** Words in s. 24(6)(a) inserted (retrospective to 10.4.2003) by [Finance Act 2003 \(c. 14\)](#), s. [17\(2\)\(8\)](#)
- F13** Words in s. 24(6)(b) omitted (31.12.2020) by virtue of [Taxation \(Cross-border Trade\) Act 2018 \(c. 22\)](#), s. 57(3), [Sch. 8 para. 24\(5\)\(b\)\(i\)](#) (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. 2 para. 7\(7\)–\(9\)](#)); S.I. 2020/1642, [reg. 4\(b\)](#) (with [reg. 7](#))
- F14** Words in s. 24(6)(b) omitted (31.12.2020) by virtue of [Taxation \(Cross-border Trade\) Act 2018 \(c. 22\)](#), s. 57(3), [Sch. 8 para. 24\(5\)\(b\)\(ii\)](#) (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. 2 para. 7\(7\)–\(9\)](#)); S.I. 2020/1642, [reg. 4\(b\)](#) (with [reg. 7](#))
- F15** Word in s. 24(6)(b) omitted (31.12.2020) by virtue of [Taxation \(Cross-border Trade\) Act 2018 \(c. 22\)](#), s. 57(3), [Sch. 8 para. 24\(5\)\(b\)\(iii\)](#) (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. 2 para. 7\(7\)–\(9\)](#)); S.I. 2020/1642, [reg. 4\(b\)](#) (with [reg. 7](#))

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**Changes to legislation:** There are currently no known outstanding effects for the Value Added Tax Act 1994, Section 24. (See end of Document for details)

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- F16** Word in s. 24(6)(c) omitted (31.12.2020) by virtue of [Taxation \(Cross-border Trade\) Act 2018 \(c. 22\)](#), s. 57(3), **Sch. 8 para. 24(6)(c)** (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. 2 para. 7(7)–(9)**); [S.I. 2020/1642](#), **reg. 4(b)** (with reg. 7)
- F17** S. 24(6)(e) inserted (16.12.2010) by [Finance \(No. 3\) Act 2010 \(c. 33\)](#), **Sch. 8 para. 1(5)**
- F18** S. 24(6A) inserted (16.12.2010) by [Finance \(No. 3\) Act 2010 \(c. 33\)](#), **Sch. 8 para. 1(6)**
- F19** S. 24(7) omitted (with application in accordance with [Sch. 8 para. 1\(8\)\(9\)](#) of the amending Act) by virtue of [Finance \(No. 3\) Act 2010 \(c. 33\)](#), **Sch. 8 para. 1(7)(8)**

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