



Value Added Tax Act 1994

1994 CHAPTER 23

PART I

THE CHARGE TO TAX

Payment of VAT by taxable persons

[^{F1}26A Disallowance of input tax where consideration not paid

- (1) Where—
- (a) a person has become entitled to credit for any input tax, and
 - (b) the consideration for the supply to which that input tax relates, or any part of it, is unpaid at the end of the period of 6 months following the relevant date,
- he shall be taken, as from the end of that period, not to have been entitled to credit for input tax in respect of the VAT that is referable to the unpaid consideration or part.

[Subsection (1) is subject to section 26AA (disapplication of disallowance under ^{F2}(1A) section 26A in insolvency).]

- (2) For the purposes of subsection (1) above “the relevant date”, in relation to any sum representing consideration for a supply, is—
- (a) the date of the supply, or
 - (b) if later, the date on which the sum became payable.
- (3) Regulations may make such supplementary, incidental, consequential or transitional provisions as appear to the Commissioners to be necessary or expedient for the purposes of this section.
- (4) Regulations under this section may in particular—
- (a) make provision for restoring the whole or any part of an entitlement to credit for input tax where there is a payment after the end of the period mentioned in subsection (1) above;
 - (b) make rules for ascertaining whether anything paid is to be taken as paid by way of consideration for a particular supply;

Changes to legislation: There are currently no known outstanding effects for the Value Added Tax Act 1994, Section 26A. (See end of Document for details)

- (c) make rules dealing with particular cases, such as those involving payment of part of the consideration or mutual debts.
- (5) Regulations under this section may make different provision for different circumstances.
- (6) Section 6 shall apply for determining the time when a supply is to be treated as taking place for the purposes of construing this section.]

Textual Amendments

- F1** S. 26A inserted (with effect as mentioned in s. 22(3) of the amending Act) by [Finance Act 2002 \(c. 23\), s. 22\(1\)](#); S.I. 2002/3028, [art. 2](#)
- F2** S. 26A(1A) inserted (with effect in accordance with art. 9 of the amending S.I.) by [The Enactment of Extra-Statutory Concessions Order 2017 \(S.I. 2017/495\)](#), arts. 1, [7\(2\)](#)

Changes to legislation:

There are currently no known outstanding effects for the Value Added Tax Act 1994, Section 26A.