

STATUTORY INSTRUMENTS

1981 No. 365

VALUE ADDED TAX

The Value Added Tax (Handicapped Persons
and Charities) Order 1981

<i>Made - - - -</i>	<i>10th March 1981</i>
<i>Laid before the House of Commons - - -</i>	<i>10th March 1981</i>
<i>Coming into Operation</i>	<i>17th March 1981</i>

The Treasury, in exercise of the powers conferred on them by sections 12(4) and 43(1) of the Finance Act 1972(a) and of all other powers enabling them in that behalf, hereby make the following Order:—

1. This Order may be cited as the Value Added Tax (Handicapped Persons and Charities) Order 1981 and shall come into operation on 17th March 1981.

2. Schedule 4(b) to the Finance Act 1972 shall be varied—

(a) by deleting item 1 of Group 4 and by substituting therefor the following:

“1. The supply to the Royal National Institute for the Blind, the National Listening Library or other similar charities of—

- (a) magnetic tape specially adapted for the recording and reproduction of speech for the blind or severely handicapped;
- (b) apparatus designed or specially adapted for the making on a magnetic tape, by way of the transfer of recorded speech from another magnetic tape, of a recording described in paragraph (f) below;
- (c) apparatus designed or specially adapted for transfer to magnetic tapes of a recording made by apparatus described in paragraph (b) above;
- (d) apparatus for re-winding magnetic tape described in paragraph (f) below;
- (e) apparatus designed or specially adapted for the reproduction from recorded magnetic tape of speech for the blind or severely handicapped and which is not available for use by other than the blind or severely handicapped;
- (f) magnetic tape upon which has been recorded speech for the blind or severely handicapped, such recording being suitable for reproduction only in the apparatus mentioned in paragraph (e) above;
- (g) parts and accessories for goods comprised in paragraphs (a) to (f) above.”;

(a) 1972 c. 41, to which there are substantial amendments, not relevant to this Order, made by the Finance Act 1977 (c. 36).

(b) Schedule 4 has been varied and the relevant instruments are S.I. 1978/1064, 1979/242, 245, 246, 1980/183.

(b) by deleting Group 14 and by substituting therefor the following:

“GROUP 14-DRUGS, MEDICINES, AIDS FOR THE HANDICAPPED, ETC.

Item
No.

1. The supply of any goods dispensed, by a person registered in the register of pharmaceutical chemists kept under the Pharmacy Act 1954(a) or the Pharmacy and Poisons Act (Northern Ireland) 1925(b), on the prescription of a person registered in the register of medical practitioners, the register of medical practitioners with limited registration or the dentists' register.
2. The supply to a handicapped person for domestic or his personal use, or to a charity for making available to a particular handicapped person, by sale or otherwise, for domestic or his personal use, of—
 - (a) medical or surgical appliances designed solely for the relief of a severe abnormality or severe injury;
 - (b) the following goods:
 - (i) electrically or mechanically adjustable beds designed for invalids;
 - (ii) commode chairs, commode stools, devices incorporating a bidet jet and warm air drier and frames or other devices for sitting over or rising from a sanitary appliance;
 - (iii) chair lifts or stair lifts designed for use in connection with invalid wheel chairs;
 - (iv) hoists and lifters designed for use by invalids;
 - (c) equipment and appliances not included in paragraph (a) or (b) above designed solely for use by a handicapped person;
 - (d) parts and accessories designed solely for use in or with goods described in paragraph (a), (b) or (c) above.
3. The supply to a handicapped person of services of adapting goods to suit his condition.
4. The supply to a charity of services of adapting goods to suit the condition of a particular handicapped person to whom the goods are to be made available, by sale or otherwise, by the charity.
5. The supply to a handicapped person of services of repair or maintenance of any goods which were supplied to him, or to a charity, where the supply was of a description specified in item 2 or 6.
6. The supply of goods in connection with a supply described in item 3, 4 or 5.

(a) 1954 c. 61.

(b) 1925 c. 8 (N.I.).

Notes:

- (1) Section 12(3) of this Act does not apply to goods forming part of a description of supply in item 1, nor to other goods forming part of a description of supply in this Group, except where those other goods are imported by a handicapped person for domestic or his personal use, or by a charity for making available to a particular handicapped person, by sale or otherwise, for domestic or his personal use.
- (2) For the purposes of item 1—
 - (a) a person who, at the time he performs services in an urgent case as mentioned in paragraph (3) of article 7 of the Medical Qualifications (EEC Recognition) Order 1977(a), is not registered in the visiting EEC practitioners list in the register of medical practitioners is to be treated as being registered in that list where he is entitled to be registered in accordance with that article;
 - (b) a person to whom paragraph 2 of Schedule 5 to the Medical Act 1978(b) applies is to be treated as being a fully registered medical practitioner while he continues to be so treated by virtue of that paragraph.
- (3) 'Handicapped' means chronically sick or disabled.
- (4) Item 2 shall not include hearing aids (except hearing aids designed for the auditory training of deaf children), dentures, spectacles and contact lenses but shall be deemed to include—
 - (a) clothing, footwear and wigs;
 - (b) invalid wheel chairs, and invalid carriages other than mechanically propelled vehicles intended or adapted for use on roads; and
 - (c) renal haemodialysis units, oxygen concentrators, artificial respirators and other similar apparatus.
- (5) In items 1 and 2 the supplies respectively described therein include supplies of services of letting on hire of goods comprised in the items.”;
- (c) by deleting Group 16 and by substituting therefor the following:

“GROUP 16—CHARITIES, ETC.

Item
No.

1. The supply by a charity established primarily for the relief of distress, or for the protection or benefit of animals, of any goods which have been donated for sale.
2. The donation of any goods for sale by a charity described in item 1.
3. The export of any goods by a charity.
4. The supply of any of the following goods:
 - (a) medical or scientific equipment solely for use in medical research, diagnosis or treatment;
 - (b) ambulances:

- (c) goods of a kind described in item 2 of Group 14 of this Schedule,

for donation to a nominated—

Regional or Area Health Authority in England and Wales,
Health Board in Scotland,
Health and Social Services Board in Northern Ireland,
hospital whose activities are not carried on for profit,
research institution whose activities are not carried on for
profit,
charitable institution providing care or medical or surgical
treatment for handicapped persons, or to
the Isle of Man Health Services Board

where the goods are purchased with funds provided by a
charity or from voluntary contributions.

5. The supply of any goods described in item 4 to a charitable institution described therein, or to another body so described which pays for them with funds provided by a charity or from voluntary contributions.

Notes:

- (1) Item 1 shall apply only if the supply is a sale by the first donee of the goods.
- (2) 'The relief of distress' means—
- (a) the relief of poverty; or
 - (b) the making of provision for the cure or mitigation or prevention of, or for the care of persons suffering from or subject to, any disease or infirmity or disability affecting human beings (including the care of women before, during and after childbirth).
- (3) 'Animals' includes any species of the animal kingdom.
- (4) 'Handicapped' means chronically sick or disabled.
- (5) Item 4 does not apply where the donee of the goods, if not a charity, has contributed wholly or in part to the funds for the purchase of the goods.
- (6) Item 5 does not apply where the body to whom the goods are supplied, if not a charity, has contributed wholly or in part to the funds for the purchase of the goods."

3. The Value Added Tax (Donated Medical Equipment) Order 1979(a) and the Value Added Tax (Aids for the Disabled) Order 1979(b) are hereby revoked.

John Wakeham,

J. A. Cope,

Two of the Lords Commissioners
of Her Majesty's Treasury.

10th March 1981.

EXPLANATORY NOTE

(This Note is not part of the Order.)

This Order amends Groups 4, 14 and 16 of Schedule 4 to the Finance Act 1972. All supplies previously zero-rated remain zero-rated: the Order extends zero-rating to certain other supplies.

In Group 4, zero-rating is now extended to certain transfer, copying and re-winding machines used in connection with “talking books”.

In Group 14—

- (a) it is no longer necessary that a zero-rated supply should be to the order of a doctor or that the recipient should be under the care of a doctor;
- (b) zero-rating now extends to all equipment and appliances designed solely for use by handicapped persons, subject to certain exclusions and conditions;
- (c) zero-rating is now allowable for certain adaptations, repairs and maintenance, accessories and spare parts;
- (d) hearing aids are no longer excluded if they are specially designed for the auditory training of children.

In Group 16—

- (a) zero-rating of the sale of donated goods by certain charities now extends to charities for the protection or benefit of animals;
- (b) the monetary limits for donations from business stock have been removed;
- (c) eligible recipients of donated medical etc. equipment now include charitable institutions caring for the handicapped;
- (d) goods eligible for this relief now include ambulances, wheelchairs and most articles designed solely for use by handicapped persons;
- (e) it is no longer necessary to have a donor separate from the eligible recipient (but purchase funds must still come from a charity or voluntary contributions).

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