

**1985 No. 799****VALUE ADDED TAX****The Value Added Tax (Hiring of Goods)  
Order 1985***Approved by the House of Commons*

<i>Made</i>	- - - - -	22nd May 1985
<i>Laid before the House of Commons</i>		23rd May 1985
<i>Coming into Operation</i>		1st July 1985

The Treasury, in exercise of the powers conferred on them by sections 7(5), 16(4) and 48(6) of the Value Added Tax Act 1983(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 (Hiring of Goods) Order 1985 and shall come into operation on 1st July 1985.
2. The Value Added Tax Act 1983 shall be amended in accordance with the following provisions.
3. In Schedule 3 (services supplied where received)—
  - (a) after paragraph 6, there shall be added—
 

“6A. The letting on hire of goods other than means of transport.”, and
  - (b) in paragraph 7, for “6” there shall be substituted “6A”.
4. In Schedule 5 (zero-rating), Group 9 (international services)—
  - (a) for item 2, there shall be substituted the following—
 

“2. The letting on hire of any means of transport for use in a place outside the United Kingdom and the other member States of the Economic Community throughout the period of the hiring which—

    - (a) are exported by the lessor to such a place, or
    - (b) are in such a place at the time of the supply.”,
  - (b) Note (2) shall be omitted,

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(a) 1983 c. 55.

(c) in Note (4), there shall be added at the end—

“(d) the letting on hire of any goods to be used in the United Kingdom.”.

*T. Garel-Jones,*

*A. G. Hamilton,*

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

22nd May 1985.

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#### EXPLANATORY NOTE

*(This Note is not part of the Order.)*

This Order implements Community obligations by giving effect to the Tenth Council Directive No. 84/386/EEC of 3 July 1984 (OJ No. L208, 3.8.84, p. 58) on the harmonisation of the laws of the Member States relating to turnover taxes. It amends Schedule 3 and Group 9 of Schedule 5 to the Value Added Tax Act 1983 with regard to the letting on hire of goods other than means of transport. The hire of goods other than means of transport is brought into Schedule 3, which provides for a range of internationally mobile services to be taxed where they are received by the customer.

This means that with one exception it will be the location of the customer which determines the VAT liability of hired goods, instead of, as at present, the place of use. The exception concerns goods which are hired in the United Kingdom for use here. Such hire will in all cases be taxable at the standard rate.

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