

1986 No. 530
VALUE ADDED TAX
**The Value Added Tax (Handicapped Persons
and Charities) Order 1986**

Made - - - - - 18th March 1986
Laid before the House of Commons - - 18th March 1986
Coming into Operation - - - - 1st April 1986

The Treasury, in exercise of the powers conferred on them by sections 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 (Handicapped Persons and Charities) Order 1986 and shall come into operation on 1st April 1986.
2. Group 4 of Schedule 5 to the Value Added Tax Act 1983 shall be varied—
 - (a) by deleting item 1(g) and by substituting the following:
“(g) apparatus solely for the making on a magnetic tape of a sound recording which is for use by the blind or severely handicapped;”;
 - (b) by adding, after item 1(g), the following:
“(h) parts and accessories (other than a magnetic tape for use with apparatus described in paragraph (g) above) for goods comprised in paragraphs (a) to (g) above.”;
 - (c) by deleting item 2 and by substituting the following:
“2. The supply to a charity of—
 - (a) wireless receiving sets; or
 - (b) apparatus solely for the making and reproduction of a sound recording on a magnetic tape permanently contained in a cassette,
 being goods solely for gratuitous loan to the blind.”.
3. Group 14 of Schedule 5(b) to the Value Added Tax Act 1983 shall be varied—
 - (a) by deleting item 5 and by substituting the following:
“5. The supply to a handicapped person or to a charity of a service of repair or maintenance of any goods specified in item 2, 6, 15 or 16 and supplied as described in that item.”;

(a) 1983 c.55. (b) Group 14 was varied by S.I. 1984/489, 959, 1985/919.

- (b) by deleting item 10 and by substituting the following:
“10. The supply to a handicapped person of a service of providing, extending or adapting a bathroom, washroom or lavatory in his private residence where such provision, extension or adaptation is necessary by reason of his condition.”;
- (c) by adding the following items:
“13. The supply to a handicapped person of services necessarily performed in the installation of a lift for the purpose of facilitating his movement between floors within his private residence.
14. The supply to a charity providing a permanent or temporary residence or day-centre for handicapped persons of services necessarily performed in the installation of a lift for the purpose of facilitating the movement of handicapped persons between floors within that building.
15. The supply of goods in connection with a supply described in item 13 or 14.
16. The supply to a handicapped person for domestic or his personal use, or to a charity for making available to handicapped persons by sale or otherwise for domestic or their personal use, of an alarm system designed to be capable of operation by a handicapped person, and to enable him to alert directly a specified person or a control centre.
17. The supply of services necessarily performed by a control centre in receiving and responding to calls from an alarm system specified in item 16.”;
- (d) by adding the following notes:
“ (8) Where in item 3 or 4 the goods are adapted in accordance with that item prior to their supply to the handicapped person or the charity, an apportionment shall be made to determine the supply of services which falls within item 3 or 4.
(9) In item 16 or 17, a specified person or control centre is a person or centre who or which
(a) is appointed to receive directly calls activated by an alarm system described in that item, and
(b) retains information about the handicapped person to assist him in the event of illness, injury or similar emergency.”.
4. Group 16 of Schedule 5(a) to the Value Added Tax Act 1983 shall be varied—
- (a) by adding the following items:
“8. The supply to a charity of a publication in any newspaper, journal or periodical of an advertisement, other than a classified advertisement, which is for the raising of money for, or making known the objects or the reasons for the objects of, the charity.
9. The supply to a charity, providing care or medical or surgical treatment for human beings or animals, or engaging in medical research, of a medicinal product where the supply is solely for use by the charity in such care, treatment or research.”;
- (b) by substituting in note 4(a) for the words “medical, scientific or computer” the words “medical, scientific, computer, video or refrigeration”;

(a) Group 16 was varied by S.I. 1983/1717, 1984/766, 1985/431.

- (c) by adding at the end of note (4) the following:
“(f) motor vehicles (with more than 6 but fewer than 51 seats) for use by an eligible body providing care for blind, deaf or mentally handicapped persons mainly to transport such persons.”;
- (d) by adding the following note:
“(12) In item 9—
- (a) a “medicinal product” means any substance or article (not being an instrument, apparatus or appliance) which is for use wholly or mainly in either or both of the following ways—
 - (i) by being administered to one or more human beings or animals for a medicinal purpose;
 - (ii) as an ingredient in the preparation of a substance or article which is to be administered to one or more human beings or animals for a medicinal purpose;
 - (b) a “medicinal purpose” has the meaning assigned to it by section 130(2) of the Medicines Act 1968(a);
 - (c) “administer” has the meaning assigned to it by section 130(9) of the Medicines Act 1968(b);
 - (d) “substance” and “ingredient” have the meanings assigned to them by section 132 of the Medicines Act 1968.”.

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

18th March 1986.

(a) 1968 c.67.

(b) Section 130(9) was amended by the Animal Health and Welfare Act 1984 (c.40), section 16 and paragraph 3(10) of Schedule 1.

EXPLANATORY NOTE

(This Note is not part of the Order.)

This Order extends the zero-rating provisions of Groups 4, 14 and 16 of Schedule 5 to the Value Added Tax Act 1983.

Group 4 relief is extended to non-specialised recording equipment supplied to charities caring for the blind and used in the recording on magnetic tape of material for the use of the blind or severely handicapped. Supplies of cassette recorders to such charities for gratuitous loan to the blind are also relieved.

Zero-rating is extended under Group 14 to cover supplies to handicapped persons of vertical lifts and certain distress alarm call systems.

The reliefs available to charities under Group 16 have also been expanded. Zero-rating is extended to:

- Display advertising (but not classified advertising) placed by a charity in a newspaper, periodical or magazine for educational or fund-raising purposes.
- The supply of video and refrigeration equipment to an eligible body for use in medical research, diagnosis or treatment.
- The supply of motor vehicles with more than six but not more than 50 seats for use by eligible bodies caring for the blind, deaf or mentally handicapped mainly in transporting those persons.
- The supply of medicinal products to a charity engaged in the treatment or care of human patients or animals or in medical research.

The Order also gives legislative effect to two existing extra-statutory concessions. One concession extends the zero-rate for building alterations within the private residence of a handicapped person to cover the provision, adaptation or extension of any bathroom, washroom or lavatory which is necessary by reason of his condition. The other extends the zero-rate for the service of adapting goods to suit the needs of a handicapped person to cover the adaptation of goods prior to their initial supply to a handicapped person or to a charity.

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