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STATUTORY INSTRUMENTS

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**1995 No. 2518**

**The Value Added Tax Regulations 1995**

**PART XV**

**ADJUSTMENTS TO THE DEDUCTION OF INPUT TAX ON CAPITAL ITEMS**

**Capital items to which this Part applies**

- 113.** The capital items to which this Part applies are items of any of the following descriptions—
- (a) a computer or an item of computer equipment of a value of not less than £50,000 supplied to, or imported or acquired by, the owner,
  - (b) land or a building or part of a building where the value of the interest therein supplied to the owner, by way of a taxable supply which is not a zero-rated supply, is not less than £250,000 excluding so much of that value as may consist of rent,
  - (c) a building or part of a building where—
    - (i) the owner's interest in, right over, or licence to occupy, the building or part of the building is treated as supplied to him under paragraph 1(5) of Schedule 10 to the Act, and
    - (ii) the value of that supply, determined in accordance with paragraph 1(6)(b) of that Schedule, is not less than £250,000,
  - (d) a building or part of a building where—
    - (i) the owner's interest in, right over, or licence to occupy, the building or part of the building is treated as supplied to him under paragraph 6(1) of Schedule 10 to the Act, and
    - (ii) the value of that supply, determined in accordance with paragraph 6(2) of that Schedule, is not less than £250,000,
  - (e) a building other than one falling or capable of falling within paragraphs (c) or (d) above constructed by the owner and first brought into use by him on or after 1st April 1990 where the aggregate of—
    - (i) the value of taxable grants relating to the land on which the building is constructed made to the owner on or after 1st April 1990, and
    - (ii) the value of all the taxable supplies of goods and services, other than any that are zero-rated, made or to be made to him for or in connection with the construction of the building on or after 1st April 1990,is not less than £250,000, and
  - (f) a building which the owner alters, or an extension or an annex which he constructs, where—
    - (i) additional floor area is created in the altered building, extension or annex, of not less than 10 per cent. of the floor area of the building before the alteration in question is carried out, or the extension or annex in question is constructed, and

- (ii) the value of all the taxable supplies of goods and services, other than any that are zero-rated, made or to be made to the owner for or in connection with the alteration, extension or annex in question on or after 1st April 1990, is not less than £250,000.