
STATUTORY INSTRUMENTS

1998 No. 1375

The Value Added Tax (Reduced Rate) Order 1998

3. For sub-paragraph (1) of paragraph 1 there shall be substituted—

“(1) Subject to the following provisions of this Schedule, the supplies falling within this paragraph are—

(a) supplies for qualifying use of—

- (i) coal, coke, or other solid substances held out for sale solely as fuel;
- (ii) coal gas, water gas, producer gases or similar gases;
- (iii) petroleum gases, or other gaseous hydrocarbons, whether in a gaseous or liquid state;
- (iv) fuel oil, gas oil or kerosene; or
- (v) electricity, heat or air-conditioning;

(b) supplies to a qualifying person of any services of installing energy-saving materials in the qualifying person’s sole or main residence; and

(c) supplies of energy-saving materials made to a qualifying person by a person who installs those materials in the qualifying person’s sole or main residence.

(1A) A supply to which sub-paragraph (1)(b) or (c) above applies is a supply falling within this paragraph only to the extent that the consideration for it is or is to be funded by a grant made under a relevant scheme.

(1B) Where a grant is made under a relevant scheme in order to fund a supply of a description falling within sub-paragraph (1)(b) or (c) above (“the relevant supply”) and also to fund a supply to which neither of those sub-paragraphs applies (“the non-relevant supply”) then the proportion of the grant that is to be attributed, for the purposes of sub-paragraph (1A) above, to the relevant supply shall be the same proportion as the consideration reasonably attributable to that supply bears to the consideration for that supply and for the non-relevant supply.”