



VALUE ADDED TAX

VALUE ADDED TAX AND OTHER TAXES ACT 1973 (AMENDMENT) ORDER 1995

Approved by Tynwald 21st March 1995

Coming into operation 1st April 1995

In exercise of the powers conferred on the Treasury by section 52 of the Value Added Tax and Other Taxes Act 1973(a), and of all other powers enabling it in that behalf, the following Order is hereby made:

Citation and commencement

1. This Order may be cited as the Value Added Tax and Other Taxes Act 1973 (Amendment) Order 1995 and shall come into operation on 1st April 1995.

Amendment of the Act

2. (1) The Value Added Tax and Other Taxes Act 1973 shall be amended as follows.

(2) In section 9 after subsection (1) insert -

"(1A) VAT charged on -

- (a) any supply for the time being falling within paragraph 1 of Schedule A1; or
- (b) any equivalent acquisition or importation,

shall be charged at the rate of 8 per cent.

(1B) The reference in subsection (1A) to an equivalent acquisition or importation, in relation to any supply for the time being falling within paragraph 1 of Schedule A1, is a reference (as the case may be) to -

(a) 1973 c.1.

Price 50p

- (a) any acquisition from a member State of goods the supply of which would be such a supply; or
- (b) any importation from a place outside the member States of any such goods.

(1C) The Treasury may by order vary Schedule A1 by adding to or deleting from it any description of supply for the time being specified in it or by varying any other provision for the time being contained in it."

(3) The following Schedule shall be inserted immediately before Schedule 1 -

"SCHEDULE A1

CHARGE AT REDUCED RATE

The supplies

1. (1) The supplies falling within this paragraph are supplies for qualifying use of -
 - (a) coal, coke or other solid substances held out for sale solely as fuel;
 - (b) coal gas, water gas, producer gases or similar gases;
 - (c) petroleum gases, or other gaseous hydrocarbons, whether in a gaseous or liquid state;
 - (d) fuel oil, gas oil or kerosene; or
 - (e) electricity, heat or air-conditioning.
- (2) In this paragraph "qualifying use" means -
 - (a) domestic use; or
 - (b) use by a charity otherwise than in the course or furtherance of a business.
- (3) Where there is a supply of goods partly for qualifying use and partly not -
 - (a) if at least 60 per cent. of the goods are supplied for qualifying use, the whole supply shall be treated as a supply for qualifying use; and
 - (b) in any other case, an apportionment shall be made to determine the extent to which the supply is a supply for qualifying use.

Interpretation

2. For the purposes of this Schedule the following supplies are always for domestic use -

- (a) a supply of not more than one tonne of coal or coke held out for sale as domestic fuel;
- (b) a supply of wood, peat or charcoal not intended for sale by the recipient;
- (c) a supply to a person at any premises of piped gas (that is, gas within paragraph 1(1)(b), or petroleum gas in a gaseous state, provided through pipes) where the gas (together with any other piped gas provided to him at the premises by the same supplier) was not provided at a rate exceeding 150 therms a month or, if the supplier charges for the gas by reference to the number of kilowatt hours supplied, 4397 kilowatt hours a month;
- (d) a supply of petroleum gas in a liquid state where the gas is supplied in cylinders the net weight of each of which is less than 50 kilogrammes and either the number of cylinders supplied is 20 or fewer or the gas is not intended for sale by the recipient;
- (e) a supply of petroleum gas in a liquid state, otherwise than in cylinders, to a person at any premises at which he is not able to store more than two tonnes of such gas;
- (f) a supply of not more than 2,300 litres of fuel oil, gas oil or kerosene;
- (g) a supply of electricity to a person at any premises where the electricity (together with any other electricity provided to him at the premises by the same supplier) was not provided at a rate exceeding 1000 kilowatt hours a month.

3. (1) For the purposes of this Schedule supplies not within paragraph 2 are for domestic use if and only if the goods supplied are for use in -

- (a) a building, or part of a building, which consists of a dwelling or number of dwellings;
- (b) a building, or part of a building, used for a relevant residential purpose;
- (c) self-catering holiday accommodation;
- (d) a caravan; or

(e) a houseboat.

(2) For the purposes of this Schedule use for a relevant residential purpose means use as -

- (a) a home or other institution providing residential accommodation for children;
- (b) a home or other institution providing residential accommodation with personal care for persons in need of personal care by reason of old age, disablement, past or present dependence on alcohol or drugs or past or present mental disorder;
- (c) a hospice;
- (d) residential accommodation for students or school pupils;
- (e) residential accommodation for members of any of the armed forces;
- (f) a monastery, nunnery or similar establishment; or
- (g) an institution which is the sole or main residence of at least 90 per cent. of its residents,

except use as a hospital, a prison or similar institution or an hotel or inn or similar establishment.

(3) For the purposes of this Schedule self-catering holiday accommodation includes any accommodation advertised or held out as such.

(4) In this Schedule "houseboat" means a boat or other floating decked structure designed or adapted for use solely as a place of permanent habitation and not having means of, or capable of being readily adapted for, self-propulsion.

4. (1) Paragraph 1(1)(a) shall be deemed to include combustible materials put up for sale for kindling fires but shall not include matches.

(2) Paragraph 1(1)(b) and (c) shall not include any road fuel gas (within the meaning of the Hydrocarbon Oil Duties Act 1986(a) on which a duty of excise has been charged or is chargeable.

(3) Paragraph 1(1)(d) shall not include hydrocarbon oil on which a duty of excise has been or

(a) 1986 c.38.

is to be charged without relief from, or rebate of, such duty by virtue of the provisions of the Hydrocarbon Oil Duties Act 1986.

(4) In this Schedule "fuel oil" means heavy oil which contains in solution an amount of asphaltenes of not less than 0.5 per cent. or which contains less than 0.5 per cent. but not less than 0.1 per cent. of asphaltenes and has a closed flash point not exceeding 150°C.

(5) In this Schedule "gas oil" means heavy oil of which not more than 50 per cent. by volume distils at a temperature not exceeding 240°C and of which more than 50 per cent. by volume distils at a temperature not exceeding 340°C.

(6) In this Schedule "kerosene" means heavy oil of which more than 50 per cent. by volume distils at a temperature not exceeding 240°C.

(7) In this Schedule "heavy oil" shall have the same meaning as in the Hydrocarbon Oil Duties Act 1986."

(4) This Order shall apply in relation to any supply made on or after 1st April 1995 and any acquisition or importation taking place on or after that date.

Made this 15th day of February 1995



Minister for the Treasury

EXPLANATORY NOTE
(This note is not part of the Order)

This Order retains the rate of VAT on fuel and power for domestic or charity use at 8% from 1st April 1995.