



VALUE ADDED TAX

VALUE ADDED TAX (INPUT TAX) (AMENDMENT) ORDER 1995

*Approved by Tynwald 16th May, 1995*

*Coming into operation 1st March 1995*

In exercise of the powers conferred on the Treasury by section 3(9) 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 (Input Tax) (Amendment) Order 1995 and shall be deemed to have come into operation on 1st March 1995.

Amendment to statutory document

2. The Value Added Tax (Input Tax) Order 1993(b) shall be amended in accordance with the following provisions of this Order.

3. In article 2, after the definition of "the United Kingdom Act", insert -

"building materials" means any goods the supply of which would be zero-rated if supplied by a taxable person to a person to whom he is also making a supply of a description within either item 2 or item 3 of Group 8, or item 2 of Group 8A, of Schedule 4 to the Act;"

4. For article 6, substitute -

"6. Where a taxable person constructing, or effecting any works to a building, in either case for the purpose of making a grant of a major interest in it or any part of it or its site which is of a description in Schedule 4 to the Act, incorporates goods other than building materials in any part of the building or its site, input tax on the supply, acquisition or importation of the goods shall be excluded from credit under section 3 of the Act."

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(a) 1973 c.1.

(b) S.D. No. 67/93.

Made this

19th

day of

April

1995



Minister for the Treasury

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EXPLANATORY NOTE

(This note is not part of the Order)

This Order amends the Value Added Tax (Input Tax) Order 1993.

In order to maintain parity of treatment between speculative builders of dwellings and contract builders of dwellings article 6 of the 1993 Order excluded from input tax credit tax on goods installed in a dwelling by a speculative builder which would not be zero-rated under Group 8 of Schedule 4 to the Value Added Tax and Other Taxes Act 1973. Group 8 of Schedule 4 has been substituted by the Value Added Tax (Construction of Buildings) Order 1995 (S.D. No. 117/95), and provisions dealing with the supplies of building materials in the course of an approved alteration have been moved to Group 8A by the Value Added Tax (Protected Buildings) Order 1995 (S.D. No. 118/95). Articles 3 and 4 of this Order make the necessary amendments to the 1993 Order to ensure that parity between speculative and contract builders is maintained. The substituted article 6 also applies the input tax restriction to speculative builders of all buildings to which Groups 8 and 8A of Schedule 4 to the Value Added Tax and Other Taxes Act 1973 apply rather than just dwellings.