STATUTORY INSTRUMENTS

2010 No. 919

VALUE ADDED TAX

The Value Added Tax (Consideration for Fuel Provided for Private Use) Order 2010

Made - - - -	*24th March 2010*
Laid before the House of Commons	*24th March 2010*
Coming into force - -	*1st May 2010*

The Treasury make the following Order in exercise of the powers conferred by section 57(4) to (4G) of the Value Added Tax Act 1994(**a**).

Citation, commencement and effect

1.—(1) This Order may be cited as the Value Added Tax (Consideration for Fuel Provided for Private Use) Order 2010.

(2) The Order comes into force on 1st May 2010 and has effect from the beginning of prescribed accounting periods beginning on or after that date.

Substitution of Table A in section 57(3) of the Value Added Tax Act 1994

2. In section 57(3) of the Value Added Tax Act 1994 (determination of consideration for fuel supplied for private use) for Table A(**b**) substitute—

"**Table A**

Description of vehicle: vehicle's CO2 emissions figure	*12 month period* £	*3 month period* £	*1 month period* £
120 or less	570.00	141.00	47.00
125	850.00	212.00	70.00
130	850.00	212.00	70.00
135	910.00	227.00	75.00
140	965.00	241.00	80.00
145	1,020.00	255.00	85.00
150	1,080.00	269.00	89.00
155	1,135.00	283.00	94.00
160	1,190.00	297.00	99.00

(**a**) 1994 c.23; subsections (4A) to (4G) of section 57 were inserted by section 2 of the Finance (No.2) Act 2005 (c.22).
(**b**) Table A was last substituted by S.I. 2009/1030.

165	1,250.00	312.00	104.00
170	1,305.00	326.00	108.00
175	1,360.00	340.00	113.00
180	1,420.00	354.00	118.00
185	1,475.00	368.00	122.00
190	1,530.00	383.00	127.00
195	1,590.00	397.00	132.00
200	1,645.00	411.00	137.00
205	1,705.00	425.00	141.00
210	1,760.00	439.00	146.00
215	1,815.00	454.00	151.00
220	1,875.00	468.00	156.00
225	1,930.00	482.00	160.00
230 or more	1,985.00	496.00	165.00”

Notes

3. In Note (6)(c)(**a**) to section 57(3) of the Value Added Tax Act 1994 for “235” substitute “230”.

Tony Cunningham
Dave Watts

24th March 2010 — Two of the Lords Commissioners of Her Majesty’s Treasury

(**a**) The notes to section 57(3) of the Value Added Tax Act 1994 were inserted by S.I. 2007/966. Note (6)(c) was amended by S.I. 2008/722.

EXPLANATORY NOTE

(This note is not part of the Order)

VAT is payable if road fuel of a business is used for private motoring. The amounts are set out in Table A in section 57(3) of the Value Added Tax Act 1994 (c.23), which applies flat rate values to vehicles based on their CO_2 emissions. Section 57(4) provides that the Treasury may by order taking effect from the beginning of any prescribed accounting period substitute a new table for Table A. New tables have been substituted annually to ensure the flat rates reflect any changes in road fuel costs. The most recent amendment was the Value Added Tax (Consideration for Fuel Provided for Private Use) Order 2009 (S.I. 2009/1030).

Section 57(4A) of the Value Added Tax Act 1994 was inserted by section 2 of the Finance (No.2) Act 2005, by virtue of SI 2007/946. This provision gives the power to substitute a table which describes vehicles by reference to their CO_2 emissions figure. Section 57(4C)(b) permits the table to be supplemented by Notes. Section 57(4G) permits the Treasury to vary, remove or substitute any or all of the Notes, by order taking effect from the beginning of any prescribed accounting period beginning after the order is made. This Order substitutes a new Table A and varies Note (6)(c) to reflect the highest band in the table.

The new flat rates have been calculated in line with the average cost of fuel applicable in March 2010. Where a vehicle does not have a CO_2 emissions figure, the Notes to the Table apply a CO_2 emissions figure by reference to the vehicle's engine size. The new rates apply to any prescribed accounting period starting on or after 1st May 2010.

Council Decision 659/2006/EC of 25th September 2006 (O.J. No. L 272. 3.10.2006, p.15) authorises the United Kingdom to fix the proportion of value added tax relating to expenditure on fuel used for private purposes in business cars on a flat rate basis. That proportion is required to be expressed in fixed amounts and is established on the basis of the CO_2 emissions level of the type of vehicle and in this way reflects fuel consumption. The amounts must be adjusted annually to reflect changes in the average cost of fuel.

A full and final impact assessment has not been produced for this instrument as a negligible impact on the private or voluntary sectors is foreseen.

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