STATUTORY INSTRUMENTS

2013 No. 659

VALUE ADDED TAX

The Value Added Tax (Consideration for Fuel Provided for Private Use) Order 2013

Made - - - -	*19th March 2013*
Laid before the House of Commons	*20th March 2013*
Coming into force - -	*1st May 2013*

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

Citation and commencement

1.—(1) This Order may be cited as the Value Added Tax (Consideration for Fuel Provided for Private Use) Order 2013.

(2) This Order comes into force on 1st May 2013 and has effect from the beginning of prescribed accounting periods beginning on or after that date.

Amendment of section 57(3) of the Value Added Tax Act 1994

2.—(1) Section 57(3) of the Value Added Tax Act 1994 (determination of consideration for fuel supplied for private use) is amended as follows.

(2) 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	675.00	168.00	56.00
125	1,010.00	253.00	84.00
130	1,080.00	269.00	89.00
135	1,145.00	286.00	95.00
140	1,215.00	303.00	101.00
145	1,280.00	320.00	106.00
150	1,350.00	337.00	112.00
155	1,415.00	354.00	118.00
160	1,485.00	371.00	123.00

(**a**) 1994 c. 23; subsection (4A) of section 57 was inserted by section 2 of the Finance (No.2) Act 2005 (c.22).
(**b**) Table A was last substituted by S.I. 2012/882.

165	1,550.00	388.00	129.00
170	1,620.00	404.00	134.00
175	1,685.00	421.00	140.00
180	1,755.00	438.00	146.00
185	1,820.00	455.00	151.00
190	1,890.00	472.00	157.00
195	1,955.00	489.00	163.00
200	2,025.00	506.00	168.00
205	2,090.00	523.00	174.00
210	2,160.00	539.00	179.00
215	2,225.00	556.00	185.00
220	2,295.00	573.00	191.00
225 or more	2,360.00	590.00	196.00”

Stephen Crabb
Anne Milton
Two of the Lords Commissioners of Her Majesty’s Treasury

19th March 2013

EXPLANATORY NOTE

(This note is not part of the Order)

This Order amends section 57 of the Value Added Tax Act 1994 (c.23) ("the Act"). References to sections 56 and 57 are references to sections 56 and 57 of the Act.

Value Added Tax is payable if road fuel that is an asset of a business is used for private motoring. Section 56 provides that where the fuel of a business is provided for private use it is to be treated as a taxable supply for consideration. Articles 16 and 74 of Council Directive 2006/112/EC (OJ No L 347, 11.12.2006, p1) ordinarily require that, where a business's goods are provided for the private use of the owner or staff, the value of that supply is determined by reference to the purchase price of the goods; however, the UK has been permitted to derogate from those Articles where a business's fuel is used for private motoring (Council Decision 2006/659/EC (OJ No L 272, 03.10.2006, p15)), so that a business may also value those supplies by using a flat-rate which is dependent upon the vehicle's CO_2 emissions rating. The derogation requires that the flat-rate amounts be adjusted annually to reflect changes in the average cost of fuel.

The flat-rate amounts, which are determined with reference to the vehicle's CO_2 emissions figure, are set out in a table in section 57 ("Table A"). Notes (1) to (6) in section 57(3) set out how a vehicle's CO_2 emissions figure is to be established.

This Order substitutes a new Table A. The substituted Table A amends the flat-rates to reflect changes in the average cost of fuel. The new rates apply to prescribed accounting periods starting on or after 1st May 2013.

A Tax Information and Impact Note has not been prepared for this Order as it gives effect to previously announced policy and relates to routine changes to rates to a predetermined indexation formula.

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