STATUTORY INSTRUMENTS

1974 No. 542

VALUE ADDED TAX

The Value Added Tax (General) (No. 1) Order 1974

Made - - - -	*26th March* 1974
Laid before the House of Commons	*26th March* 1974
Coming into Operation	*1st April* 1974

The Treasury, in exercise of the powers conferred on them by sections 12(4) and 43(1) of the Finance Act 1972(**a**) and of all other powers enabling them in that behalf, hereby make the following Order:—

1. This Order may be cited as the Value Added Tax (General) (No. 1) Order 1974 and shall come into operation on 1st April 1974.

2.—(*a*) The Interpretation Act 1889(**b**) shall apply for the interpretation of this Order as it applies for the interpretation of an Act of Parliament.

(*b*) In this Order the words " the Schedule " shall mean Schedule 4 to the Finance Act 1972 as amended(**c**).

3. The Value Added Tax (Food) Order 1973(**d**) is hereby revoked.

4. The following shall be substituted for Group 2 of the Schedule:—

" GROUP 2—WATER

Item No.	
1.	Water other than— (*a*) distilled water, deionised water and water of similar purity; and (*b*) water comprised in the excepted items set out in Group 1.".

5. The following shall be substituted for Group 7 of the Schedule:—

" GROUP 7—FUEL AND POWER

Item No.	
1.	Coal, coke and other solid mineral fuels.
2.	Coal gas, water gas, producer gases and similar gases.
3.	Petroleum gases and other gaseous hydrocarbons, whether in a gaseous or liquid state.
4.	Hydrocarbon oil within the meaning of the Hydrocarbon Oil (Customs & Excise) Act 1971(**e**).
5.	Electricity, heat and air-conditioning.
6.	Lubricating oils other than those included in item 4.

(**a**) 1972 c. 41. (**b**) 1889 c. 63.
(**c**) The relevant amending instruments are S.I. 1973/324, 386, 2151 (1973 I, pp. 1128, 1325; III, p. 7429).
(**d**) S.I. 1973/386 (1973 I, p. 1325). (**e**) 1971 c. 12.

Notes:

(1) " Lubricating oils " means agents for lubrication which are neither:—

(*a*) solid or semi-solid at a temperature of 60° F, nor

(*b*) gaseous at a temperature of 60° F and under a pressure of one atmosphere.

(2) Items 2 and 3 do not include any gas (within the meaning of section 3 of the Finance Act 1971)(**a**) for use as fuel in road vehicles and on which a duty of excise has been charged or is chargeable.

(3) Item 4 does not include hydrocarbon oil on which a duty of customs or excise has been or is to be charged without relief from, or rebate of, such duty by virtue of the provisions of the Hydrocarbon Oil (Customs & Excise) Act 1971.".

Harold Wilson,
Denis Healey,

Two of the Lords Commissioners of Her Majesty's Treasury.

26th March 1974.

EXPLANATORY NOTE

(*This Note is not part of the Order.*)

This Order imposes value added tax at the standard rate on certain food products and drinks, including:—

(*a*) Ice cream, ice lollies, frozen yoghurt, similar frozen products and preparations for making such products;

(*b*) Chocolates, sweets, similar confectionery and chocolate biscuits;

(*c*) Manufactured non-alcoholic beverages, including fruit juices and bottled waters, and products for the preparation of beverages; and cider, perry, etc., not specifically chargeable with customs or excise duty;

(*d*) Potato crisps and similar products, salted and roasted nuts.

The Order also imposes value added tax at the standard rate on all hydrocarbon oils on which revenue duty at the unrebated rate (at present 22½p per gallon), has been or is to be charged, on any gas to be used as road fuel, on petrol substitutes and on power methylated spirits.

(**a**) 1971 c. 68.

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