STATUTORY INSTRUMENTS

2007 No. 3448

VALUE ADDED TAX

The Value Added Tax (Reduced Rate) (No. 2) Order 2007

Made - - - -	*6th December 2007*
Laid before the House of Commons	*7th December 2007*
Coming into force - -	*1st January 2008*

The Treasury, in exercise of the powers conferred by sections 29A and 96(9) of the Value Added Tax Act 1994(**a**), make the following Order:

1. This Order may be cited as the Value Added Tax (Reduced Rate) (No. 2) Order 2007 and comes into force on 1st January 2008.

2. Group 7 of Schedule 7A to the Value Added Tax Act 1994 (charge at reduced rate for residential renovations and alterations)(**b**) is amended as follows.

3. In sub-paragraphs (2), (3)(a), (3)(b)(ii) and (3)(c) of paragraph 3 of the Notes, for "3 years" substitute "2 years".

4. Accordingly, in the heading of that paragraph for "3 years" substitute "2 years".

Dave Watts
Alan Campbell
6th December 2007 Two of the Lords Commissioners of Her Majesty's Treasury

(**a**) 1994 c.23; section 29A was inserted by section 99(4) of the Finance Act 2001 (c. 9) and section 96(9) was amended by section 99(6) of, and paragraph 5 of Part 2 of Schedule 31 to, that Act.

(**b**) Schedule 7A was inserted by section 99(5) of, and paragraph 1 of Schedule 31 to, the Finance Act 2001. Schedule 7A applies in place of Schedule A1 in relation to supplies made, and acquisitions and importations taking place, on or after 1st November 2001. Group 7 of Schedule 7A has been amended by S.I. 2002/1100. There are other amendments to Schedule 7A but they are not relevant to this Order.

EXPLANATORY NOTE

(This note is not part of the Order)

This Order, which comes into force on 1st January 2008, amends Schedule 7A to the Value Added Tax Act 1994. Part 2 of that Schedule contains the Groups of supplies of goods and services that are subject to the reduced rate of VAT of 5% and Part 1 contains the Index to those Groups.

Articles 2, 3 and 4 of this Order amend paragraph 3 of the Notes to Group 7 of Schedule 7A to the Value Added Tax Act 1994 (c. 23) so as to reduce from 3 years to 2 years the period of time for which qualifying residential premises must be empty before supplies of qualifying services and building materials used in relation to the renovation or alteration of such premises may be charged at the reduced rate of VAT of 5 per cent.

A full regulatory impact assessment has not been produced for this instrument as no impact on the private or voluntary sectors is foreseen.

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