STATUTORY INSTRUMENTS

2008 No. 2676

VALUE ADDED TAX

The Value Added Tax (Reduced Rate) (Supplies of Domestic Fuel or Power) Order 2008

Made - - - -	*8th October 2008*
Laid before the House of Commons	*9th October 2008*
Coming into force - -	*1st November 2008*

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

Citation and Commencement

1. This Order may be cited as the Value Added Tax (Reduced Rate) (Supplies of Domestic Fuel or Power) Order 2008 and comes into force on 1st November 2008.

Amendment of Group 1 of Schedule 7A to the Value Added Tax Act 1994

2. In Schedule 7A to the Value Added Tax Act 1994 (reduced rate: supplies of domestic fuel or power)(**b**), in paragraph 1(3) of the Notes to Group 1, insert at the end—

", unless the oil is—

(a) kerosene in respect of which a relevant declaration has been made under section 13AC(3) of that Act (use of rebated kerosene for private pleasure-flying)(**c**); or

(b) oil in respect of which a relevant declaration has been made under section 14E(3) of that Act (use of rebated heavy oil for private pleasure craft)(**d**)".

Steve McCabe
Dave Watts
8th October 2008 — 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). The reference to Schedule 7A in section 96(9) was inserted by section 99(6) of, and paragraph 5 of Schedule 31 to, the Finance Act 2001.
(**b**) Schedule 7A was inserted by section 99(5) of, and paragraph 1 of Schedule 31 to, the Finance Act 2001. Schedule 7A has been amended but the amendments are not relevant to this Order.
(**c**) Section 13AC is inserted by paragraph 11 of Schedule 6 to the Finance Act 2008 (c. 9) with effect from 1st November 2008.
(**d**) Section 14E(3) is inserted by paragraph 15 of Schedule 6 to the Finance Act 2008 with effect from 1st November 2008.

EXPLANATORY NOTE

(This note is not part of the Order)

This Order, which comes into force on 1st November 2008, amends Group 1 of Schedule 7A to the Value Added Tax Act 1994.

Item 1(d) of Group 1 applies the reduced rate of VAT to qualifying supplies of fuel oil, gas oil and kerosene. By virtue of Note 1(3) to Group 1, item 1(d) only applies to supplies of fuel oil, gas oil and kerosene which attract relief from, or rebate of, excise duty under the Hydrocarbon Oil Duties Act 1979 (c. 5).

From 1st November 2008 kerosene used as fuel for private pleasure-flying and fuel oil, gas oil and kerosene used as fuel for propelling private pleasure craft will no longer attract relief from, or rebate of, excise duty.

Article 2 amends Group 1 to maintain the reduced rate of VAT in relation to supplies of kerosene used as fuel for private pleasure-flying and supplies of fuel oil, gas oil and kerosene used as fuel for propelling private pleasure craft, notwithstanding that those supplies will cease to attract relief from, or rebate of, excise duty.

A full and final Impact Assessment has not been produced for this instrument as no impact on the private or voluntary sectors is foreseen.

© Crown copyright 2008

Printed and published in the UK by The Stationery Office Limited under the authority and superintendence of Carol Tullo, Controller of Her Majesty's Stationery Office and Queen's Printer of Acts of Parliament.

£4.00

E3116 10/2008 183116T 19585