STATUTORY INSTRUMENTS

1984 No. 606

VALUE ADDED TAX

The Value Added Tax (Special Provisions) (Amendment) Order 1984

Made - - - -	*26th April* 1984
Laid before the House of Commons	*3rd May* 1984
Coming into Operation	*1st June* 1984

The Treasury, in exercise of the powers conferred on them by section 14(10) of the Value Added Tax Act 1983(**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 (Special Provisions) (Amendment) Order 1984 and shall come into operation on 1st June 1984.

2. For article 8 of the Value Added Tax (Special Provisions) Order 1981(**b**) there shall be substituted the following:

"**8.**—(1) Subject to paragraph (2) below where a taxable person constructing a building for the purpose of granting a major interest in it or in any part of it incorporates goods in any part of the building or its site which is used for the purpose of a dwelling, input tax on the supply or importation of the goods shall be excluded from any credit under sections 14 and 15 of the Value Added Tax Act 1983.

(2) Paragraph (1) above shall not apply to materials, builder's hardware, sanitary ware or other articles of a kind ordinarily installed by builders as fixtures except—

(*a*) finished or prefabricated furniture, other than furniture designed to be fitted in kitchens;

(*b*) materials for the construction of fitted furniture, other than kitchen furniture; and

(**a**) 1983 c. 55. (**b**) S.I. 1981/1741.

(*c*) domestic electrical or gas appliances, other than those designed to provide space heating or water heating or both.".

Alastair Goodlad,
D. J. F. Hunt,
Two of the Lords Commissioners
of Her Majesty's Treasury.

26th April 1984.

EXPLANATORY NOTE

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

This Order amends article 8 of the VAT (Special Provisions) Order 1981 which prevents the deduction of input tax on non-standard fixtures and fittings incorporated by a speculative builder in a dwelling which he is building for supply by sale or long lease. Article 8 as amended will, with effect from 1st June 1984, prevent the deduction of input tax on certain specified items, viz fitted furniture (other than kitchen furniture) and materials used to make such furniture, domestic electrical or gas appliances (other than space or water heaters) as well as on any unspecified articles provided they are *not* of a kind ordinarily installed by builders as fixtures. Article 8 complements the zero-rating provisions in the Budget Resolution of 19th March 1984, made under the Provisional Collection of Taxes Act 1968 (c. 2), the effect of which is that standard rate tax will be due on similar fixtures and fittings even when supplied in connection with zero-rated building construction services.

SI 1984/606
ISBN 0-11-046606-3

