

2012 No. 882

VALUE ADDED TAX

The Value Added Tax (Consideration for Fuel Provided for Private Use) Order 2012

<i>Made</i> - - - -	<i>20th March 2012</i>
<i>Laid before the House of Commons</i>	<i>21st March 2012</i>
<i>Coming into force</i> - -	<i>1st May 2012</i>

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

Citation, commencement and effect

1.—(1) This Order may be cited as the Value Added Tax (Consideration for Fuel Provided for Private Use) Order 2012.

(2) This Order comes into force on 1st May 2012 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

<i>Description of vehicle: vehicle's CO₂ emissions figure</i>	<i>12 month period</i> £	<i>3 month period</i> £	<i>1 month period</i> £
120 or less	665.00	166.00	55.00
125	1,000.00	250.00	83.00
130	1,065.00	266.00	88.00
135	1,135.00	283.00	94.00
140	1,200.00	300.00	100.00
145	1,270.00	316.00	105.00
150	1,335.00	333.00	111.00
155	1,400.00	350.00	116.00
160	1,470.00	366.00	122.00

(a) 1994 c.23; subsections (4A) to (4G) of section 57 were inserted by section 2 of the Finance (No.2) Act 2005 (c.22).

(b) Table A was last substituted by S.I. 2011/898.

165	1,535.00	383.00	127.00
170	1,600.00	400.00	133.00
175	1,670.00	416.00	138.00
180	1,735.00	433.00	144.00
185	1,800.00	450.00	150.00
190	1,870.00	467.00	155.00
195	1,935.00	483.00	161.00
200	2,000.00	500.00	166.00
205	2,070.00	517.00	172.00
210	2,135.00	533.00	177.00
215	2,200.00	550.00	183.00
220	2,270.00	567.00	189.00
225 or more	2,335.00	583.00	194.00".

Angela Watkinson
Michael Fabricant

20th March 2012

Two of the Lords Commissioners of Her Majesty's Treasury

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.

VAT is payable if road fuel 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 L347/1 of 11.12.2006) ordinarily requires 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 659/2006 EC of 25th September 2006 (OJ L272/15 of 3.10.2006)), so that a business may also value those supplies by using a flat rate which is dependent upon the vehicle’s CO₂ 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 determined with reference to the vehicle’s CO₂ emissions figure are set out in a table in section 57 (“Table A”). Where no emissions value is available, note (6) in section 57(3) attributes a CO₂ emissions figure to the vehicle according to its cylinder capacity for the purpose of applying Table A.

This order substitutes a new Table A. The new rates apply to prescribed accounting periods starting on or after 1st May 2012.

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

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