



Finance Act 2011

2011 CHAPTER 11

PART 6

OTHER TAXES

Value added tax

74 Business samples

- (1) In Schedule 4 to VATA 1994 (matters to be treated as supply of goods or services), paragraph 5 (transfer or disposal of goods forming part of the assets of a business) is amended as follows.
- (2) For sub-paragraph (2)(b) substitute—
 - “(b) the provision to a person, otherwise than for a consideration, of a sample of goods.”
- (3) Omit sub-paragraph (3).

75 Zero-rating: splitting of supplies

- (1) In Part 2 of Schedule 8 to VATA 1994 (zero-rating: groups), Group 3 (books, etc) is amended as follows.
- (2) For “*Note*: Items 1 to 6—” substitute—

“*Notes*

 - (1) Items 1 to 6—”.
- (3) At the end insert—
 - “(2) Items 1 to 6 do not include goods in circumstances where—
 - (a) the supply of the goods is connected with a supply of services, and
 - (b) those connected supplies are made by different suppliers.

Status: This is the original version (as it was originally enacted).

- (3) For the purposes of Note (2) a supply of goods is connected with a supply of services if, had those two supplies been made by a single supplier—
- (a) they would have been treated as a single supply of services, and
 - (b) that single supply would have been a taxable supply (other than a zero-rated supply) or an exempt supply.”
- (4) The amendments made by this section have effect in relation to supplies made on or after the day on which this Act is passed.

76 Academies

- (1) In Part 2 of VATA 1994 (reliefs, exemptions and repayments), after section 33A insert —

“33B Refunds of VAT to Academies

- (1) This section applies where—
 - (a) VAT is chargeable on—
 - (i) the supply of goods or services to the proprietor of an Academy,
 - (ii) the acquisition of any goods from another member State by the proprietor of an Academy, or
 - (iii) the importation of any goods from a place outside the member States by the proprietor of an Academy, and
 - (b) the supply, acquisition or importation is not for the purposes of any business carried on by the proprietor of the Academy.
- (2) The Commissioners shall, on a claim made by the proprietor of the Academy at such time and in such form and manner as the Commissioners may determine, refund to that proprietor the amount of VAT so chargeable.
- (3) Subject to subsection (4), the claim must be made before the end of the period of 4 years beginning with the day on which the supply is made or the acquisition or importation takes place.
- (4) If the Commissioners so determine, the claim period is such shorter period beginning with that day as the Commissioners may determine.
- (5) Subsection (6) applies where goods or services supplied to, or acquired or imported by, the proprietor of the Academy cannot be conveniently distinguished from goods or services supplied to, or acquired or imported by, it for the purpose of a business carried on by that proprietor.
- (6) The amount to be refunded under this section is such amount as remains after deducting from the whole of the VAT chargeable on any supply to, or acquisition or importation by, the proprietor of the Academy such proportion of that VAT as appears to the Commissioners to be attributable to the carrying on of the business.
- (7) References in this section to VAT do not include any VAT which, by virtue of an order under section 25(7), is excluded from credit under section 25.
- (8) In this section—

- (a) references to the proprietor of an Academy are to the proprietor of the Academy acting in that capacity, and
 - (b) “Academy” and “proprietor” have the same meaning as in the Education Act 1996 (see section 579 of that Act).”
- (2) In section 79 of that Act (repayment supplement in respect of certain delayed payments or refunds)—
 - (a) in subsection (1), after paragraph (c) insert “, or
 - (d) the proprietor of an Academy who is registered is entitled to a refund under section 33B,”
 - (b) in subsection (5), after paragraph (c) insert “, and
 - (d) a supplement paid to the proprietor of an Academy under subsection (1)(d) shall be treated as an amount due to that proprietor by way of refund under section 33B.”, and
 - (c) in subsection (6)(b) after “33A” insert “or 33B”.
- (3) In section 90 of that Act (failure of resolution under the Provisional Collection of Taxes Act 1968), in subsection (3) after “33A,” insert “33B,”.
- (4) In Part 2 of Schedule 9 to that Act (exemptions: groups), in Group 14 (supplies of goods where input tax cannot be recovered), in Note (9) after “33A,” insert “33B,”.
- (5) The amendments made by this section have effect in relation to supplies made, and acquisitions and importations taking place, on or after 1 April 2011.

77 Relief from VAT on imported goods of low value

- (1) In Schedule 2 to the Value Added Tax (Imported Goods) Relief Order 1984 (S.I. 1984/746) (reliefs for goods of certain descriptions), in item 8 of Group 8 (consignments of goods not exceeding a certain value), for “£18” substitute “£15”.
- (2) The amendment of that Schedule by this section is without prejudice to any power to amend that Schedule by subordinate legislation.
- (3) The amendment made by this section has effect in relation to goods imported on or after 1 November 2011.