

STATUTORY INSTRUMENTS

2008 No. 722

VALUE ADDED TAX

The Value Added Tax (Consideration for Fuel Provided for Private Use) Order 2008

Made - - - - *12th March 2008*
Laid before the House of
Commons - - - - *13th March 2008*
Coming into force - - *1st May 2008*

The Treasury make the following Order in exercise of the powers conferred by section 57(4) to (4G) of the Value Added Tax Act 1994(1):

Citation, commencement and effect

1. This Order may be cited as the Value Added Tax (Consideration for Fuel Provided for Private Use) Order 2008, comes into force on 1st May 2008 and has effect from the beginning of prescribed accounting periods beginning on or after that date.

Substitution of Table A in section 57(3) of the Value Added Tax Act 1994

2. In section 57(3) of the Value Added Tax Act 1994 (determination of consideration for fuel supplied for private use) for Table A(2) substitute—

Table A

<i>Description of vehicle:</i>	<i>12 month period</i>	<i>3 month period</i>	<i>1 month period</i>
<i>vehicle's CO₂ emissions figure</i>	<i>£</i>	<i>£</i>	<i>£</i>
120 or less	555.00	138.00	46.00
125	830.00	207.00	69.00
130	830.00	207.00	69.00

(1) [1994 c.23](#); section 57 was amended, and subsections (4A) to (4G) were inserted, by section 2 of the Finance (No.2) Act 2005 (c.22).

(2) Table A was last substituted by [S.I. 2007/966](#).

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

<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>
135	830.00	207.00	69.00
140	885.00	221.00	73.00
145	940.00	234.00	78.00
150	995.00	248.00	82.00
155	1,050.00	262.00	87.00
160	1,105.00	276.00	92.00
165	1,160.00	290.00	96.00
170	1,215.00	303.00	101.00
175	1,270.00	317.00	105.00
180	1,325.00	331.00	110.00
185	1,380.00	345.00	115.00
190	1,435.00	359.00	119.00
195	1,490.00	373.00	124.00
200	1,545.00	386.00	128.00
205	1,605.00	400.00	133.00
210	1,660.00	414.00	138.00
215	1,715.00	428.00	142.00
220	1,770.00	442.00	147.00
225	1,825.00	455.00	151.00
230	1,880.00	469.00	156.00
235 or more	1,935.00	483.00	161.00

Notes

3. Amend Note (6) to section 57(3) of the Value Added Tax Act 1994 as follows—
- (a) In Note (6)(a) immediately following “140” delete the words “or less”, and
 - (b) In Note (6)(c) for “240”, substitute “235”.

Dave Watts
Steve McCabe
Two of the Lords Commissioners of Her
Majesty's Treasury

12th March 2008

EXPLANATORY NOTE

(This note is not part of the Order)

VAT is payable if road fuel of a business is used for private motoring. The amounts are set out in Table A of section 57(3) of the Value Added Tax Act 1994, which applies flat rate values to vehicles based on their CO₂ emissions. Section 57(4) provides that the Treasury may by order taking effect from the beginning of any prescribed accounting period substitute a new table for Table A. New tables have been substituted annually to ensure the flat rates reflect the increase in road fuel costs. The most recent amendment was the Value Added Tax (Consideration for Fuel Provided for Private Use) Order 2007(3).

Section 57(4A) of the Value Added Tax Act 1994 was inserted by section 2 of the Finance (No.2) Act 2005, by virtue of [SI 2007/946](#). This provision gives the power to substitute a table which describes vehicles by reference to their CO₂ emissions figure. The flat rates were calculated in line with the average cost of fuel applicable in March 2007. Section 57(4C)(b) permits the table to be supplemented by Notes. Section 57(4G) permits the Treasury to vary, remove or substitute any or all of the Notes, by order taking effect from the beginning of any prescribed accounting period beginning after the order is made. The Order substitutes a new Table A and varies Note (6)(c). The flat rates applied to vehicles based on their CO₂ emissions have been calculated in line with the average cost of fuel in March 2008. Where a vehicle does not have a CO₂ emissions figure, the Notes to the Table apply a CO₂ emissions figure by reference to the vehicle's engine size.

The Order gives effect to Article 2 of Council Decision [659/2006/EC\(4\)](#) (of 25th September 2006). The Council Decision authorises the United Kingdom to fix the proportion of Value Added Tax relating to expenditure on fuel used for private purposes in business cars on a flat rate basis. That proportion is required to be expressed in fixed amounts and established on the basis of the CO₂ emissions level of the type of vehicle that reflect fuel consumption. The amounts must be adjusted annually to reflect changes in the average cost of fuel. The new rates apply to any relevant accounting period starting after 30th April 2008.

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

(3) [S.I. 2007/966](#).

(4) OJ No L272, 3.10.2006, p15.