
Changes to legislation: There are currently no known outstanding effects for the Finance (No. 3) Act 2010, Paragraph 4. (See end of Document for details)

SCHEDULES

SCHEDULE 8

VALUE ADDED TAX: NON-BUSINESS USE OF BUSINESS ASSETS ETC

Output tax charge where credit attributable to purported paragraph 5(4) supply

- 4 (1) Sub-paragraph (2) applies where—
- (a) a person carrying on a business or any of that person's predecessors has been allowed credit under sections 25 and 26 of VATA 1994 for input tax on the basis that the input tax is attributable to a thing done or to be done which is or would be a paragraph 5(4) supply,
 - (b) some or all of that credit was allowed before 22 January 2010,
 - (c) disregarding sub-paragraph (2), the thing done or to be done is not or would not be a paragraph 5(4) supply, and
 - (d) the credit allowed as mentioned in paragraph (a) is not reversed in full.
- (2) The thing done or to be done is to be treated for the purposes of VATA 1994 as if it were or would be a paragraph 5(4) supply.
- (3) But sub-paragraph (2) does not confer on the person allowed credit as mentioned in sub-paragraph (1)(a) any entitlement to that credit under sections 25 and 26 of that Act.
- (4) For the purposes of sub-paragraph (1) credit for input tax is “allowed” under sections 25 and 26 of VATA 1994 to the extent that the credit is claimed, and the claim is satisfied by one or more of the following—
- (a) the deduction of input tax under section 25(2) of that Act from any output tax that is due to the Commissioners;
 - (b) a payment by the Commissioners in respect of the credit under section 25(3) of that Act;
 - (c) the setting off of the credit against a sum payable to the Commissioners, whether under section 81(3) of that Act or section 130 of FA 2008 or otherwise.
- (5) In this paragraph—
- “paragraph 5(4) supply” means a supply under paragraph 5(4) of Schedule 4 to VATA 1994 (goods held or used for the purposes of a business which are put to private use etc);
 - “predecessor” has the same meaning as in paragraph 5 of that Schedule.
- (6) This paragraph is to be treated as having always had effect.

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