

1980 No. 440

VALUE ADDED TAX

The Value Added Tax (Fuel and Power) Order 1980

<i>Made - - - -</i>	<i>26th March 1980</i>
<i>Laid before the House of Commons - -</i>	<i>26th March 1980</i>
<i>Coming into operation</i>	<i>1st May 1980</i>

The Treasury, in exercise of the powers conferred on them by sections 12(4) and 43(1) of the Finance Act 1972(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 (Fuel and Power) Order 1980 and shall come into operation on 1st May 1980.

2. Schedule 4(b) to the Finance Act 1972 shall be varied by amending Group 7 thereof as follows:—

(a) Item 1 shall be deleted and the following substituted therefor:—

“1. Supplies of the following held out for sale solely as fuel:—

- (a) coal;
- (b) coke;
- (c) other solid substances.”;

(b) Items 4 and 6 shall be deleted and the following substituted for item 4:—

“4. Fuel oil, gas oil and kerosene.”;

(c) Note (2) shall be deleted and the following substituted therefor:—

“(2) “Fuel oil” means heavy oil which contains in solution an amount of asphaltenes of not less than 0.5% or which contains less than 0.5% but not less than 0.1% of asphaltenes and has a closed flash point not exceeding 150°C,

“Gas oil” means heavy oil of which not more than 50% by volume distils at a temperature not exceeding 240°C and of which more than 50% by volume distils at a temperature not exceeding 340°C,

“Kerosene” means heavy oil of which more than 50% by volume distils at a temperature not exceeding 240°C,

“Heavy oil” shall have the same meaning as in the Hydrocarbon Oil Duties Act 1979(c).”; and

(a) 1972 c.41, to which there are substantial amendments, not relevant to this Order, made by the Finance Act 1977 (c.36).

(b) Schedule 4 has been varied and the relevant instrument is S.I. 1978/1064: Group 7 thereof has been amended by the Hydrocarbon Oil Duties Act 1979 (c.5).

(c) 1979 c.5.

(d) Note (4) shall be deleted and the following substituted therefor:—

“(4) Item 4 does not include hydrocarbon oil on which a duty of excise has been or is to be charged without relief from, or rebate of, such duty by virtue of the provisions of the Hydrocarbon Oil Duties Act 1979.”

John MacGregor

Carol Mather

Two of the Lords Commissioners
of Her Majesty's Treasury

26 March, 1980

EXPLANATORY NOTE

(This Note is not part of the Order.)

This Order restricts the zero-rate of value added tax on hydrocarbon oils to fuel oil, gas oil and kerosene which, on delivery from bond, have not borne the full rate of excise duty. All other hydrocarbon oils become liable to value added tax. The Order withdraws the zero-rating from lubricating oils and all other lubricants.

The Order also makes it clear that any solid substance is eligible for zero-rating only when held out for sale solely as fuel.