

1989 No. 959

VALUE ADDED TAX

The Value Added Tax (Cars) (Amendment) Order 1989

Made - - - - - 6th June 1989

Laid before the House of Commons 20th June 1989

Coming into force 1st August 1989

The Treasury, in exercise of the powers conferred on them by sections 3(5) and 14(10) of the Value Added Tax Act 1983^(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 (Cars) (Amendment) Order 1989 and shall come into force on 1st August 1989.

2. The Value Added Tax (Cars) Order 1980^(b) shall be amended as follows—

(a) in article 4(1), after sub-paragraph (c) there shall be inserted—

“(cc) the motor car is unused and is supplied to, or imported by, a taxable person whose business includes the production of motor cars (other than the production of motor cars solely by the conversion of vehicles) and is for the purpose of research and development to be carried out by him; or”;

(b) in article 5(3) for the words after “except where” there shall be substituted the words—

“the Commissioners are satisfied that the motor car is, or is to be, used solely for the purpose of research and development in his business as a producer of motor cars (other than as a producer of motor cars solely by the conversion of vehicles).”.

6th June 1989

Stephen Darrell
David Lightbown
Two of the Lords Commissioners of Her Majesty's Treasury

^(a) 1983 c.55.

^(b) S.I. 1980/442, amended by S.I. 1984/33, 1985/919.

EXPLANATORY NOTE

(This note is not part of the Order)

This Order further amends the Value Added Tax (Cars) Order 1980 in respect of motor cars used by car manufacturers for research and development purposes.

The 1980 Order allows car manufacturers to use motor cars produced by them for research and development purposes without incurring a charge to value added tax.

This new Order extends the relief to cover any unused motor car which a car manufacturer uses for these purposes.

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