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STATUTORY INSTRUMENTS

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**1991 No. 2306**

**VALUE ADDED TAX**

**The Value Added Tax (Input Tax) (Person Supplied) Order 1991**

*Made* - - - - *17th October 1991*  
*Laid before the House of*  
*Commons* - - - - *24th October 1991*  
*Coming into force* - - *1st December 1991*

The Treasury, in exercise of the powers conferred on them by section 14(3B) of the Value Added Tax Act 1983(1) 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 (Input Tax) (Person Supplied) Order 1991 and shall come into force on 1st December 1991.

2. Article 3 below shall apply where road fuel is supplied to a person who is not a taxable person and a taxable person pays to him—

- (a) the actual cost to him of the fuel; or
- (b) an amount, the whole or part of which approximates to and is paid in order to reimburse him for the cost of the fuel, determined by reference to—
  - (i) the total distances travelled by the vehicle in which the fuel is used (whether or not including distances travelled otherwise than for the purposes of the business of the taxable person), and
  - (ii) the cylinder capacity of the vehicle, whether or not the taxable person makes any payment in order to reimburse him for any other cost.

3. Where this article applies, the fuel shall be treated for the purpose of section 14(3) of the Value Added Tax Act 1983 as having been supplied to the taxable person for the purpose of a business carried on by him and for a consideration equal to the amount paid by him under article 2(a) or (b) above, as the case may be (excluding any reimbursement of any cost other than the cost of the fuel).

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(1) 1983 c. 55; subsection (3B) of section 14 was inserted by section 14 of the Finance Act 1991 (c. 31).

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**Status:** This is the original version (as it was originally made).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

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17th October 1991

*Irvine Patnick*  
*Gregory Knight*  
Two of the Lords Commissioners of Her  
Majesty's Treasury

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## EXPLANATORY NOTE

*(This note is not part of the Order)*

This Order, which comes into force on 1st December 1991, gives statutory effect to a long-standing administrative practice. The Order provides for road fuel bought by employees to be treated as being supplied to the employer where the employee is reimbursed by means of a mileage allowance or the actual amount paid. It will permit the same recovery of input tax in these cases as has previously been allowed under the arrangements of paragraph 16 of Appendix C of the VAT Guide.