
STATUTORY INSTRUMENTS

1992 No. 1668

**The Value Added Tax (Payments
on Account) (No.2) Order 1992**

Business carried on in divisions

12.—(1) Subject to paragraphs (3) and (4) below, where the registration under the Act of a body corporate is and was throughout the prescribed accounting periods mentioned in article 5(1) above in the names of divisions under section 31(1) of the Act and those divisions are the same divisions, that body corporate shall not be under a duty to make payments on account by virtue of falling within article 5 above but shall be under a duty to make payments on account by reference to the business of any division if the total amount of tax which it was liable to pay in respect of the specified accounting periods and which was referable to the business of that division exceeded £2,000,000.

(2) Where a relevant division has a prescribed accounting period exceeding one month which begins on or after 2nd September 1992 and which relates to the tax period 12/92 to which reference is shown in the certificate of registration issued to it, the body corporate shall be under a like duty to make payments on account also in respect of that prescribed accounting period.

(3) A division shall not be a relevant division if—

- (a) the total amount of tax which was referable to that division's business in respect of prescribed accounting periods the ends of which fell within the period of one year ending on the last day of its last prescribed accounting period ending before 1st April 1990 did not exceed £2,000,000, and
- (b) the total amount of tax which was referable to that division's business in respect of prescribed accounting periods the ends of which fell within the period of one year ending on the last day of its last prescribed accounting period ending before 1st April 1992 did not exceed £2,000,000.

(4) Article 5(3) above shall apply for the purposes of this article as if for the references therein to the taxable person there were substituted references to a relevant division.

(5) Where payments on account fall to be made under this article, they shall be calculated and made separately in the case of each relevant division as if it were a taxable person and shall be remitted to the Controller through that division.

(6) In relation to a body corporate to which this article applies, references in article 11 above to—

- (a) the total amount of tax which a taxable person was or will be liable to pay shall be construed as references to the total amount of such tax referable to the business of a relevant division; and
- (b) an application by the taxable person shall be construed as references to an application by the division in respect of which the application is made.

(7) In this article—

“relevant division” means a division by reference to the business of which a body corporate is under a duty to make payments on account by virtue of paragraph (1) above;

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“specified accounting periods” means in relation to a relevant division its prescribed accounting periods the ends of which fell within the period of one year ending on the last day of its last prescribed accounting period ending before 1st April 1991.