
STATUTORY INSTRUMENTS

1995 No. 2518

The Value Added Tax Regulations 1995

PART XIV

INPUT TAX AND PARTIAL EXEMPTION

Treatment of input tax attributable to exempt supplies as being attributable to taxable supplies

[^{F1}105A.—(1) Subject to regulation 106ZA(1), where, in relation to a taxable person, total input tax incurred less any input tax incurred on goods or services used or to be used exclusively in making taxable supplies—

- (a) in any prescribed accounting period, or
- (b) in any applicable longer period,

does not amount to more than £625 per month on average, all input tax incurred in that period shall be treated as attributable to taxable supplies provided that the value of exempt supplies does not exceed one half of the value of all supplies.

(2) In the application of paragraph (1) above to a longer period—

- (a) any treatment of input tax as attributable to taxable supplies in any prescribed accounting period shall be disregarded, and
- (b) the amount of input tax incurred on goods or services used or to be used exclusively in making taxable supplies must reflect any changes in use or intention during that period.

(3) In this regulation—

- (a) “taxable supplies” includes supplies of a description falling within regulation 103, and
- (b) “exempt supplies” means any supplies that are not taxable supplies.]

Textual Amendments

F1 [Reg. 105A](#) inserted (1.4.2010) by [The Value Added Tax \(Amendment\) Regulations 2010 \(S.I. 2010/559\)](#), regs. 1, 6

Status:

Point in time view as at 31/01/2020.

Changes to legislation:

There are currently no known outstanding effects for the The Value Added Tax Regulations 1995, Section 105A.