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STATUTORY INSTRUMENTS

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**1995 No. 2518**

**The Value Added Tax Regulations 1995**

**PART XIV**

**INPUT TAX AND PARTIAL EXEMPTION**

**Adjustment of attribution**

**107. —**

(1) [<sup>F1</sup>Subject to regulation 105A(1)(b),] where a taxable person to whom a longer period is applicable has provisionally attributed an amount of input tax to taxable supplies in accordance with a method [<sup>F2</sup>or treated an amount of input tax as attributable to taxable supplies under regulation 105A(1)(a) or regulation 106ZA(1)]<sup>F3</sup>... and save as the Commissioners may dispense with the following requirement to adjust, he <sup>F4</sup>...—

- <sup>F5</sup>(a) shall, subject to [<sup>F6</sup>sub-paragraphs (b), (c), (d) and (da) below], determine for the longer period the amount of input tax which is attributable to taxable supplies according to the method used in the prescribed accounting periods,
- (b) shall, where he has provisionally attributed input tax in accordance with regulation 101(2)(e) in any prescribed accounting period, determine for the longer period the amount of residual input tax which is attributable to taxable supplies on the basis of the extent to which the goods or services are used or to be used by him in making taxable supplies,
- (c) may, where he has not provisionally attributed input tax in accordance with regulation 101(2)(e) but was nevertheless entitled to do so, determine for the longer period the amount of residual input tax which is attributable to taxable supplies on the basis of the extent to which the goods or services are used or to be used by him in making taxable supplies,
- (d) shall, where he has provisionally attributed residual input tax under regulation 101(2)(f), determine for the longer period the amount of residual input tax which is attributable to taxable supplies using the calculation specified in regulation 101(2)(d) subject to the provisions of regulation 101(3) to (5),
- <sup>F7</sup>(da) shall, where he has treated an amount of input tax as attributable to taxable supplies under regulation 105A(1)(a) or regulation 106ZA(1), determine for the longer period the amount of input tax that is attributable to taxable supplies in accordance with sub-paragraphs (a) to (d) above as appropriate,]
- (e) shall [<sup>F8</sup>, except where a taxable person is using a method provided for in regulation 102(1) to make the apportionment referred to in regulation 102ZA(1),] apply the tests set out in regulation 106 to determine whether all input tax in the longer period in question shall be treated as attributable to taxable supplies,
- (f) shall calculate the difference between the amount of input tax determined to be attributable to taxable supplies under subparagraphs (a) to (e) above and the amounts of input tax, if any, which were deducted in the returns for the prescribed accounting periods, and

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*Changes to legislation: There are currently no known outstanding effects for the The Value Added Tax Regulations 1995, Section 107. (See end of Document for details)*

- (g) shall include any such amount of over-deduction or under-deduction in a return for—
- (i) the first prescribed accounting period next following the longer period, or
  - (ii) the last prescribed accounting period in the longer period,
- except where the Commissioners allow another return to be used.]

[<sup>F9</sup>(2) Where a taxable person makes no adjustment as required by paragraph (1) above, the requirement shall be that the adjustment is made in the return for the first prescribed accounting period next following the longer period.]

[<sup>F10</sup>(3) But where a registered person has his registration cancelled at or before the end of a longer period, he shall account for any adjustment under this regulation on his final return.]

[<sup>F11</sup>(4) In this regulation “residual input tax” has the same meaning as in regulation 101(10).]

#### Textual Amendments

- F1** Words in [reg. 107\(1\)](#) inserted (1.4.2010) by [The Value Added Tax \(Amendment\) Regulations 2010 \(S.I. 2010/559\)](#), regs. 1, **9(a)**
- F2** Words in [reg. 107\(1\)](#) inserted (1.4.2010) by [The Value Added Tax \(Amendment\) Regulations 2010 \(S.I. 2010/559\)](#), regs. 1, **9(b)**
- F3** Words in [reg. 107\(1\)](#) omitted (1.4.2009 in relation to input tax incurred by a taxable person on goods imported or acquired by, or goods or services supplied to, him on or after that date) by virtue of [The Value Added Tax \(Amendment\) \(No. 2\) Regulations 2009 \(S.I. 2009/820\)](#), regs. 1(1), **8(a)** (with [reg. 1\(2\)](#))
- F4** Word in [reg. 107\(1\)](#) omitted (1.4.2009 in relation to input tax incurred by a taxable person on goods imported or acquired by, or goods or services supplied to, him on or after that date) by virtue of [The Value Added Tax \(Amendment\) \(No. 2\) Regulations 2009 \(S.I. 2009/820\)](#), regs. 1(1), **8(b)** (with [reg. 1\(2\)](#))
- F5** [Reg. 107\(1\)\(a\)-\(g\)](#) substituted for (1.4.2009 in relation to input tax incurred by a taxable person on goods imported or acquired by, or goods or services supplied to, him on or after that date) by [The Value Added Tax \(Amendment\) \(No. 2\) Regulations 2009 \(S.I. 2009/820\)](#), regs. 1(1), **8(c)** (with [reg. 1\(2\)](#))
- F6** Words in [reg. 107\(1\)\(a\)](#) substituted (1.4.2010) by [The Value Added Tax \(Amendment\) Regulations 2010 \(S.I. 2010/559\)](#), regs. 1, **9(c)**
- F7** [Reg. 107\(1\)\(da\)](#) inserted (1.4.2010) by [The Value Added Tax \(Amendment\) Regulations 2010 \(S.I. 2010/559\)](#), regs. 1, **9(d)**
- F8** Words in [reg. 110\(5\)](#) inserted (1.1.2011) by [The Value Added Tax \(Amendment\) \(No. 4\) Regulations 2010 \(S.I. 2010/3022\)](#), regs. 1(1), **8**
- F9** [Reg. 107\(2\)](#) substituted (1.4.2009 in relation to input tax incurred by a taxable person on goods imported or acquired by, or goods or services supplied to, him on or after that date) by [The Value Added Tax \(Amendment\) \(No. 2\) Regulations 2009 \(S.I. 2009/820\)](#), regs. 1(1), **8(d)** (with [reg. 1\(2\)](#))
- F10** [Reg. 107\(3\)](#) inserted (18.4.2002 in relation to input tax incurred by a taxable person on goods imported or acquired by, or goods or services supplied to, him on or after that date) by [The Value Added Tax \(Amendment\) Regulations 2002 \(S.I. 2002/1074\)](#), regs. 1, **6**
- F11** [Reg. 107\(4\)](#) inserted (1.4.2009 in relation to input tax incurred by a taxable person on goods imported or acquired by, or goods or services supplied to, him on or after that date) by [The Value Added Tax \(Amendment\) \(No. 2\) Regulations 2009 \(S.I. 2009/820\)](#), regs. 1(1), **8(e)** (with [reg. 1\(2\)](#))

#### Commencement Information

- I1** [Reg. 107](#) in force at 20.10.1995, see [reg. 1](#)

**Status:**

Point in time view as at 01/01/2011.

**Changes to legislation:**

There are currently no known outstanding effects for the The Value Added Tax Regulations 1995, Section 107.