

2007 No. 2173

VALUE ADDED TAX

**The Value Added Tax (Supply of Services) (Amendment) Order
2007**

Approved by the House of Commons

Made - - - - 25th July 2007

Laid before the House of Commons 25th July 2007

Coming into force - - 1st September 2007

The Treasury, in exercise of the powers conferred by section 5(4) of the Value Added Tax Act 1994(a), makes the following Order:

1. This Order may be cited as the Value Added Tax (Supply of Services) (Amendment) Order 2007 and comes into force on 1st September 2007.

2. Articles 3A and 3B of the Value Added Tax (Supply of Services) Order 1993(b) shall be omitted.

25th July 2007

Frank Roy
Alan Campbell
Two of the Lord Commissioners of Her Majesty's Treasury

(a) 1994 c. 23.

(b) S.I. 1993/1507; relevant amending instrument is S.I. 2003/1055.

EXPLANATORY NOTE

(This note is not part of the Order)

This Order, which comes into force on 1st September 2007, amends the Value Added Tax (Supply of Services) Order 1993 (S.I. 1993/1507) (“the 1993 Order”).

Article 2 omits Articles 3A and 3B of the 1993 Order which were inserted by the Value Added Tax (Supply of Services) (Amendment) Order 2003 (S.I. 2003/1055).

Articles 3A and 3B were inserted to prevent perceived tax avoidance. These legislative amendments prevented businesses claiming VAT deduction to the extent that the land or building upon which VAT had been paid would be used for non-business purposes, whilst ensuring that VAT would still be due if a business changed the use of land or buildings from wholly business use to part non-business use after the initial input tax claim. Following a judgment of the European Court of Justice, it is necessary to omit these articles.

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