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S T A T U T O R Y   I N S T R U M E N T S

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**2007 No. 966**

**VALUE ADDED TAX**

**The Value Added Tax (Consideration for Fuel Provided for Private Use) Order 2007**

*Made*                     -   -   -   -                               *22nd March 2007*

*Laid before the House of Commons*                               *22nd March 2007*

*Coming into force*   -   -   *1st May 2007*

The Treasury make the following Order in exercise of the powers conferred by section 57(4) and (4A) to (4D) of the Value Added Tax Act 1994(a):

1. This Order may be cited as the Value Added Tax (Consideration for Fuel Provided for Private Use) Order 2007, comes into force on 1st May 2007 and has effect from the beginning of prescribed accounting periods beginning on or after that date.

2. Amend section 57 of the Value Added Tax Act 1994 (determination of consideration for fuel supplied for private use) as follows.

3. In subsection (3) for Table A(b) substitute—

*Table A*

<i>Description of vehicle: vehicle's CO<sub>2</sub> emissions figure</i>	<i>12 month period £</i>	<i>3 month period £</i>	<i>1 month period £</i>
140 or less	730.00	182.00	60.00
145	780.00	195.00	65.00
150	830.00	207.00	69.00
155	880.00	219.00	73.00
160	925.00	231.00	77.00
165	975.00	243.00	81.00
170	1,025.00	256.00	85.00
175	1,075.00	268.00	89.00
180	1,120.00	280.00	93.00
185	1,170.00	292.00	97.00
190	1,220.00	304.00	101.00
195	1,270.00	317.00	105.00
200	1,315.00	329.00	109.00
205	1,365.00	341.00	113.00

(a) 1994 c.23; section 57 was amended by section 2 of the Finance (No.2) Act 2005 (c.22).

(b) Table A was last substituted by S.I. 2006/868.

210	1,415.00	353.00	117.00
215	1,465.00	365.00	121.00
220	1,510.00	378.00	126.00
225	1,560.00	390.00	130.00
230	1,610.00	402.00	134.00
235	1,660.00	414.00	138.00
240 or more	1,705.00	426.00	142.00

4. At the end of subsection (3) insert—

*“Notes*

(1) If a CO<sub>2</sub> emissions figure is specified in relation to a vehicle in an EC certificate of conformity or a UK approval certificate, the vehicle’s CO<sub>2</sub> emissions figure for the purposes of Table A is determined as follows.

(2) If only one figure is specified in the certificate, that figure is the vehicle’s CO<sub>2</sub> emissions figure for those purposes.

(3) If more than one figure is specified in the certificate, the figure specified as the CO<sub>2</sub> (combined) emissions figure is the vehicle’s CO<sub>2</sub> emissions figure for those purposes.

(4) If separate CO<sub>2</sub> emissions figures are specified for different fuels, the lowest figure specified or, in a case within note (3), the lowest CO<sub>2</sub> emissions (combined) figure specified is the vehicle’s CO<sub>2</sub> emissions figure for those purposes.

(5) If the vehicle’s CO<sub>2</sub> emissions figure (determined in accordance with notes (2) to (4)) is not a multiple of 5, it is rounded down to the nearest multiple of 5 for those purposes.

(6) If no EC certificate of conformity or UK approval certificate is issued in relation to a vehicle or no emissions figure is specified in relation to it in any such certificate, the vehicle’s CO<sub>2</sub> emissions figure for those purposes is—

- (a) 140 or less (if its cylinder capacity is 1,400 cubic centimetres or less),
- (b) 175 (if its cylinder capacity exceeds 1,400 cubic centimetres but does not exceed 2,000 cubic centimetres), and
- (c) 240 or more (if its cylinder capacity exceeds 2,000 cubic centimetres).”.

*Claire Ward  
Alan Campbell*

22nd March 2007

Two of the Lords Commissioners of Her Majesty’s Treasury

## EXPLANATORY NOTE

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

VAT is payable if road fuel of a business is used for private motoring. The VAT due has previously been calculated using flat rate values relating to engine type and size which are set out in Table A of section 57 of the Value Added Tax Act 1994(a). Section 57(4) provides that a new table may be substituted for Table A and new tables have been substituted annually to ensure the flat rates reflect the increase in road fuel costs(b).

Section 54(4A) gives power to substitute Table A by a table which describes vehicles by reference to their CO<sub>2</sub> emissions figure. Section 54(4C)(b) permits the Table to be supplemented by Notes.

The Order substitutes a new table supplemented by Notes for Table A which applies flat rate values to vehicles based on their CO<sub>2</sub> emissions. Where a vehicle does not have a CO<sub>2</sub> emissions figure the Notes to the Table apply a CO<sub>2</sub> emissions figure by reference to the vehicle's engine size.

The flat rates have been calculated in line with the average cost of fuel applicable in March 2007.

The Order gives effect to Articles 1 and 2 of Council Decision 659/2006/EC(c) (of 25th September 2006). The Council Decision authorises the United Kingdom to fix the proportion of value added tax relating to expenditure on fuel used for private purposes in business cars on a flat rate basis. The proportion of tax is required to be expressed in fixed amounts and established on the basis of the CO<sub>2</sub> emissions level of the type of vehicle that reflect fuel consumption. The amounts are to be adjusted annually to reflect changes in the average cost of fuel.

The new rates apply to any relevant accounting period starting after 30th April 2007(d).

Section 57 of the Value Added Tax Act 1994 was amended by section 2 of the Finance (No.2) Act 2005 and the amendments come into force on 1st May 2007 (e).

A full regulatory impact assessment of the effect that this instrument will have on the costs of business and the voluntary sector is available at [www.hmrc.gov.uk](http://www.hmrc.gov.uk) and is annexed to the Explanatory Memorandum which is available alongside the instrument on the OPSI website.

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(a) 1994 c.23; section 57 was amended by section 2 of the Finance (No.2) Act 2005 (c.22).

(b) Table A was last substituted by S.I. 2006 No. 868.

(c) OJ No L272, 3.10.2006, p15.

(d) See articles 1(1) and (2) of the Order.

(e) The Finance (No. 2) Act, Section 2(7), (Appointed Day) Order 2007, S.I. 2007 No. 946(C.38).

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**£3.00**

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