



VALUE ADDED TAX ACT 1996

VALUE ADDED TAX (PAYMENTS ON ACCOUNT) (No. 2)
(AMENDMENT) ORDER 2011

Laid before Tynwald

15 February 2011

Coming into operation in accordance with article 2

The Treasury makes this Order under sections 28(1) and (3) of the Value Added Tax Act 1996⁽¹⁾.

1 Title

This Order is the Value Added Tax (Payments on Account) (No. 2) (Amendment) Order 2011.

2 Commencement

This Order comes into operation—

- (a) article 3(b) on 1 December 2011; and
- (b) the rest of the Order on 1 June 2011.

3 Amendment of the Value Added Tax (Payments on Account) (No. 2) Order 1993

The Value Added Tax (Payments on Account) (No. 2) Order 1993⁽²⁾ is amended as follows—

- (a) in article 2(1) in the definition of “the basic period” for “£2,000,000” substitute “the figure specified in article 5(1) and 6(1)”;
- (b) in article 5(1) for “£2,000,000” substitute “£2,300,000”;
- (c) in article 6(1) for “£2,000,000” substitute “£2,300,000”;
- (d) in article 7 for “£1,600,000” substitute “£1,800,000”; and

⁽¹⁾ 1996 c.1

⁽²⁾ SD 455/93, which has been amended by SD 122/95, SD 374/96 and SD 444/07

- (e) in article 16(1) for “£2,000,000” substitute “the figure specified in article 5(1) or 6(1) respectively”.

MADE

19th January 2011

Ame Crane

Minister for the Treasury

EXPLANATORY NOTE

(This note is not part of the Order)

This Order increases the thresholds in the Value Added Tax (Payments on Account) (No. 2) Order 1993 (“the Principal Order”) above which a person becomes liable to make payments on account of VAT and below which a person ceases to be liable to make payments on account of VAT.

The changes to the thresholds are in consequence of the change in the standard rate of VAT from 17.5% to 20% with effect from 4 January 2011.

Article 3(b) increases the annual threshold above which a person becomes liable to make payments on account of VAT from £2,000,000 to £2,300,000 with effect from 1 December 2011.

Article 3(c) increases the in-year threshold above which a person becomes liable to make payments on account of VAT from £2,000,000 to £2,300,000 with effect from 1 June 2011.

Article 3(d) increases the in-year threshold below which a person ceases to be liable to make payments on account of VAT from £1,600,000 to £1,800,000 with effect from 1 June 2011.

Articles 3(a) and (e) make consequential amendments to articles 2(1) and 16(1) of the Principal Order.