



VALUE ADDED TAX ACT 1996

VALUE ADDED TAX (AMENDMENT) (No. 2) REGULATIONS 2011

Laid before Tynwald

15 March 2011

Coming into operation

2 March 2011

The Treasury makes these Regulations under sections 25(1) and 26(1), (3) and (4) of the Value Added Tax Act 1996⁽¹⁾.

1 Title

These Regulations are the Value Added Tax (Amendment) (No. 2) Regulations 2011.

2 Commencement

These Regulations come into operation on 2 March 2011.

3 Amendment of the Value Added Tax Regulations 1996

The Value Added Tax Regulations 1996⁽³⁾ are amended as follows.

4 Adjustments to the deduction of input tax on capital items

In regulation 112(3) (interpretation of Part XV)⁽⁴⁾—

(a) for “paragraph 37(3)” substitute “paragraph 37(1)”;

(b) for “paragraph 37(5)” substitute “paragraph 37(3)”;

(c) for “3” substitute “36”.

5 In regulation 114(3B)⁽⁵⁾ (period of adjustment)—

(a) for “paragraph 37(5)” substitute “paragraph 37(3)”;

⁽¹⁾ 1996 c.1

⁽³⁾ SD 194/96

⁽⁴⁾ Regulation 112(3) was amended by SD 13/11

⁽⁵⁾ Regulation 114(3B) was inserted by SD 13/11

- (b) at the end insert "divided by 12 and rounded up to the next whole number".
- 6 In regulation 115(5)⁽⁶⁾ (method of adjustment), for "paragraph 37(3)" substitute "paragraph 37(1)".
- 7 After Part XXV, add—

"PART XXVI

**TRANSITIONAL PROVISIONS FOR AMENDMENTS
FROM SD 0118 OF 2011**

213. Transitional Provisions for Amendments under SD 0118 of 2011

The amendments to regulations 112(3), 114(3B) and 115(5) under the Value Added Tax (Amendment) (No. 2) Regulations 2011 have effect only in relation to supplies treated as made under paragraph 37 of Schedule 11 to the Act where the building that is supplied was completed on or after 1 March 2011."

MADE

28th February 2011

Anne Cranö

Minister for the Treasury

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations, which come into operation on 2 March 2011, amend Part XV (adjustments to the deduction of input tax on capital items) of the Value Added Tax Regulations 1996.

Regulations 4 to 6 amend regulations 112 (interpretation of Part XV), 114 (period of adjustment) and 115 (method of adjustment) to substitute revised references to paragraph 37 of Schedule 11 to the Value Added Tax Act 1996 ("paragraph 37") following its amendment by the Value Added Tax (Buildings and Land) Order 2011⁽⁷⁾ and to adjust for the fact that the revised calculation in paragraph 37 is calculated by reference to months rather than years to ensure that these provisions continue to have their intended effect.

Regulation 7 adds a new Part XXVI to the Value Added Tax Regulations 1996, with a new regulation 213 dealing with how the amendments made to regulations 112, 114 and 115 shall have effect.

⁽⁶⁾ Regulation 115(5) was substituted by SD 13/11

⁽⁷⁾ SD 45/11