

**2011 No. 898**

**VALUE ADDED TAX**

**The Value Added Tax (Consideration for Fuel Provided for Private Use) Order 2011**

<i>Made</i> - - - -	<i>23rd March 2011</i>
<i>Laid before the House of Commons</i>	<i>23rd March 2011</i>
<i>Coming into force</i> - -	<i>1st May 2011</i>

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

**Citation, commencement and effect**

1.—(1) This Order may be cited as the Value Added Tax (Consideration for Fuel Provided for Private Use) Order 2011.

(2) The Order comes into force on 1st May 2011 and has effect from the beginning of prescribed accounting periods beginning on or after that date.

**Amendment of section 57(3) of the Value Added Tax Act 1994**

2. —(1) Section 57(3) of the Value Added Tax Act 1994 (determination of consideration for fuel supplied for private use) is amended as follows.

(2) 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>
120 or less	630.00	157.00	52.00
125	945.00	236.00	78.00
130	1,010.00	252.00	84.00
135	1,070.00	268.00	89.00
140	1,135.00	283.00	94.00
145	1,200.00	299.00	99.00
150	1,260.00	315.00	105.00
155	1,325.00	331.00	110.00

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(a) 1994 c.23; subsections (4A) to (4G) of section 57 were inserted by section 2 of the Finance (No.2) Act 2005 (c.22).  
(b) Table A was last substituted by S.I. 2010/919.

160	1,385.00	346.00	115.00
165	1,450.00	362.00	120.00
170	1,515.00	378.00	126.00
175	1,575.00	394.00	131.00
180	1,640.00	409.00	136.00
185	1,705.00	425.00	141.00
190	1,765.00	441.00	147.00
195	1,830.00	457.00	152.00
200	1,890.00	472.00	157.00
205	1,955.00	488.00	162.00
210	2,020.00	504.00	168.00
215	2,080.00	520.00	173.00
220	2,145.00	536.00	178.00
225 or more	2,205.00	551.00	183.00

(3) In the Notes, in Note (6)(c)(a) for “230” substitute “225”.

*Michael Fabricant*  
*James Duddridge*

23rd March 2011

Two of the Lords Commissioners of Her Majesty’s Treasury

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(a) The Notes in section 57(3) of the Value Added Tax Act 1994 were inserted by S.I. 2007/966. Note (6)(c) was amended by S.I. 2010/919.

## EXPLANATORY NOTE

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

This Order amends section 57 of the Value Added Tax Act 1994 (c.23) (“the Act”). References to sections 56 and 57 are references to sections 56 and 57 of the Act.

VAT is payable if road fuel of a business is used for private motoring. Section 56 provides that where the fuel of a business is provided for private use it is to be treated as a taxable supply for consideration. The value of that supply is determined in accordance with the provisions of section 57. Where a CO<sub>2</sub> emissions figure is available for the vehicle involved in private use, Table A in section 57 (“Table A”) stipulates a flat rate value for the fuel determined by reference to that CO<sub>2</sub> emissions figure. Where no emissions value is available, note (6) in section 57(3) attributes a CO<sub>2</sub> emissions figure to the vehicle according to its cylinder capacity for the purpose of applying Table A.

This Order substitutes a new Table A and amends note (6)(c). The substituted Table A increases the flat rates and amends the highest category of CO<sub>2</sub> rating in the Table. Note (6)(c) is amended to reflect the change to the highest category of CO<sub>2</sub> rating in the Table. The new rates apply to prescribed accounting periods starting on or after 1st May 2011.

Council Decision 659/2006/EC of 25th September 2006 (OJ No. L272/15, 3.10.2006, p.15) (“the Decision”) permits the UK to derogate from Articles 5(6) and 11(A)(1)(b) of Council Directive 77/388/EEC (OJ No. L145, 13.6.1977), now recast as Articles 26 and 75 of Council Directive 2006/112/EC (OJ No. L347, 11.12.2006) (“the Directive”). The Directive requires the value of a supply of business goods for private use to be determined by reference to their purchase price or cost price. The Decision authorises the United Kingdom to value the supply of business fuel for private use by using a flat rate which is dependant on a vehicle’s CO<sub>2</sub> emission rating. The derogation requires that the flat rate amounts must be adjusted annually to reflect changes in the average cost of fuel.

In line with government commitments, a Tax Information and Impact Note has not been prepared for this instrument as it gives effect to previously announced policy and relates to routine changes to rates to a predetermined indexation formula.

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£4.00