



Finance Act 1997

1997 CHAPTER 16

PART III

VALUE ADDED TAX

Zero-rating

34 Charitable institutions providing care etc.

- (1) In Group 15 of Schedule 8 to the Value Added Tax Act 1994 (charities etc), after Note (4) there shall be inserted the following Notes—

“(4A) Subject to Note (5B), a charitable institution shall not be regarded as providing care or medical or surgical treatment for handicapped persons unless—

- (a) it provides care or medical or surgical treatment in a relevant establishment; and
- (b) the majority of the persons who receive care or medical or surgical treatment in that establishment are handicapped persons.

(4B) “Relevant establishment” means—

- (a) a day-centre, other than a day-centre which exists primarily as a place for activities that are social or recreational or both; or
- (b) an institution which is—
 - (i) approved, licensed or registered in accordance with the provisions of any enactment or Northern Ireland legislation; or
 - (ii) exempted by or under the provisions of any enactment or Northern Ireland legislation from any requirement to be approved, licensed or registered;

and in paragraph (b) above the references to the provisions of any enactment or Northern Ireland legislation are references only to provisions which, so far as relating to England, Wales, Scotland or

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Northern Ireland, have the same effect in every locality within that part of the United Kingdom.”

(2) After Note (5) to that Group there shall be inserted the following Notes—

“(5A) Subject to Note (5B), items 4 to 7 do not apply where the eligible body falls within Note (4)(f) unless the relevant goods are or are to be used in a relevant establishment in which that body provides care or medical or surgical treatment to persons the majority of whom are handicapped.

(5B) Nothing in Note (4A) or (5A) shall prevent a supply from falling within items 4 to 7 where—

- (a) the eligible body provides medical care to handicapped persons in their own homes;
- (b) the relevant goods fall within Note (3)(a) or are parts or accessories for use in or with goods described in Note (3)(a); and
- (c) those goods are or are to be used in or in connection with the provision of that care.”

(3) This section has effect in relation to supplies made on or after 26th November 1996.

Changes to legislation:

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