

**2008 No. 3020**

**VALUE ADDED TAX**

**The Value Added Tax (Change of Rate) Order 2008**

*Made* - - - - 24th November 2008

*Laid before the House of Commons* 24th November 2008

*Coming into force* - - 1st December 2008

The Treasury make the following Order in exercise of the powers conferred by sections 2(2) and 21(7) of the Value Added Tax Act 1994(a):

1. This Order may be cited as the Value Added Tax (Change of Rate) Order 2008 and comes into force on 1st December 2008.
2. The Value Added Tax Act 1994 shall be amended as follows.
3. In section 2(1) (rate of VAT)(b), the rate of tax charged by virtue of that section shall be decreased by  $14\frac{2}{7}$  per cent.
4. In section 21(4) (value of imported goods)(c) for “28.58” substitute “33.34”.

*Steve McCabe*  
*Frank Roy*

24th November 2008

Two of the Lords Commissioners of Her Majesty's Treasury

**EXPLANATORY NOTE**

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

This Order, which comes into force on 1st December 2008, reduces the rate of Value Added Tax by  $14\frac{2}{7}$  percent to effect a reduction from 17.5 per cent to 15 per cent and makes a consequential change to the Value Added Tax Act 1994. This Order will have effect from 1st December 2008 to 30th November 2009.

A full Impact Assessment of the effect that this instrument will have on the costs of business and the voluntary sector is available from H M Revenue and Customs, 100 Parliament Street, London SW1A 2BQ 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 2(2) was amended by paragraph 2 of Schedule 31 to the Finance Act 2001 (c.9); section 21(7) was inserted by section of the Finance Act 1995 (c.4).  
(b) Section 2(1) was amended by section 21(2) and (6) of the Finance Act 1995 (c.4) and section 99(2) and (3) of the Finance Act 2001 (c. 9).  
(c) Section 21(4) was inserted by section 22 of the Finance Act 1995 and was amended by section 12 of the Finance Act 1999 (c.16).