

FINANCE ACT 2017

VALUE-ADDED TAX

NOTES FOR GUIDANCE

Issued by VAT Policy and Legislation Branch, 27 December 2017.

55. Interpretation (Part 3)

This section defines the Principal Act as the Value-Added Tax Consolidation Act 2010 for the purposes of Part 3 of the Act. This is a conventional provision in Finance Acts. It allows abbreviated terms to be used for references to previous legislation and thus facilitates drafting and subsequent reading of the legislation. For example, the term “Principal Act” used in Part 3 of this Act refers to the Value-Added Tax Consolidation Act 2010.

56. Amendment of Schedule 3 to the VAT Consolidation Act 2010 (goods and services chargeable at the reduced rate)

Summary

This section amends Schedule 3 to the VAT Consolidation Act in relation to the VAT rate applicable to sunbed services.

Details

The amendment substitutes new text to the exclusions contained in paragraph 21(1) of Schedule 3. It provides that the VAT rate applicable to sunbed services is increased from 13.5% to the standard rate of 23%, as announced in the Budget.

Commencement

This section has effect from 1 January 2018.

57. Exempted education activities

Summary

This section amends the VAT Consolidation Act in relation to the VAT exemption for educational activities.

The amendments provide for the making of regulations, if necessary, in relation to exempted education activities. The amendments also clarify the application of the exemption in respect of children’s or young people’s education, school or university education, vocational training or retraining.

Details

Paragraph (a) inserts a new subsection (13A) into section 120 to allow the Revenue Commissioners to make regulations, if necessary, relating to the exempted education activities referred to in paragraph 4(3) of Schedule 1.

Regulations may be made:

- to provide for the conditions under which training or retraining services may be treated as vocational training or retraining services,
- to specify the bodies which provide public funds to providers in respect of the provision of education or vocational training or retraining, and
- to provide for the conditions under which education provided to children or young people would be the curriculum determined by the Minister for Education and Skills.

Paragraph (b) amends paragraph 4(3) of Schedule 1 to clarify the application of the exemption in respect of children's or young people's education, school or university education, vocational training or retraining. The amendment explicitly specifies that the scope of the exemption includes the provision of vocational training and retraining.

Paragraph 4(3)(a) provides for VAT exemption for the provision of children's or young people's education, school or university education, vocational training or retraining, by-

- a public body,
- a provider, in receipt of public funds from a body specified in regulations, for the provision of such services,
- a recognised school, college or university.

The supply of goods and services (excluding research services) incidental to the provision of education or vocational training or retraining by such bodies is also exempt from VAT.

Paragraph 4(3)(b) provides for VAT exemption for the provision by a body of the following:

- a programme of education and training within the meaning of the Qualifications and Quality Assurance (Education and Training) Act 2012 which is validated under section 45 of that Act;
- a course which is considered by the Minister for Justice and Equality as an acceptable basis for the granting of an immigration permission, where such body is included on a list published by that Minister;
- a course accredited by an approved college, within the meaning assigned by section 473A of the Taxes Consolidation Act 1997;
- education to children or young people which, if provided by a recognised school within the meaning of section 10 of the Education Act 1998, would be the curriculum determined by the Minister for Education and Skills in accordance with that Act (subject to any conditions as may be specified in regulations);

- vocational training or retraining (subject to any conditions as may be specified in regulations),

including the supply of goods and services (excluding research services) incidental to that provision.

Paragraph 4(3)(c) provides for the continued VAT exemption for the instruction in the driving of mechanically propelled road vehicles designed or constructed for the carriage, of 1.5 tonnes of goods or more, of more than 9 persons (including the driver).

Commencement

This section has effect from the date of passing of the Finance Act (25 December 2017).

58. Miscellaneous amendments to the VAT Consolidation Act 2010

Summary

This section makes minor technical amendments to the VAT Consolidation Act.

Details

Paragraphs (a), (c) and (f) update references respectively in sections 2, 53(3) and 116(22) of the VAT Consolidation Act, following the commencement of the Customs Act 2015.

Paragraph (b) replaces a repealed reference in section 11(2)(b) of the VATCA 2010.

Paragraph (d) amends a reference in section 66(4C)(b).

Paragraph (e) deletes an obsolete provision in section 101(6).

Paragraph (g) deletes section 120(18)(a) as the Directive referred to has been repealed.

Paragraph (h) corrects an orthographic error.

Paragraph (i) updates references in paragraph 17(3) of Schedule 3 having regard to the commencement of relevant excise legislation.

Paragraph (j) updates a reference in paragraph 21(5) of Schedule 3 and is consequential to the changes made to the education exemption in Schedule 1.

Commencement

This section has effect from the date of passing of the Finance Act (25 December 2017).