



24TACD2020

BETWEEN/

APPELLANT

Appellant

V

REVENUE COMMISSIONERS

Respondent

DETERMINATION

Introduction

1. This appeal relates to the refusal by the Respondent of a repayment of residual vehicle registration tax ('VRT') and residual value added tax ('VAT') charged in relation to the adaptation of a used motor vehicle in accordance with S.I. No. 353/1994 – *Disabled Drivers and Disabled Passengers (Tax Concessions) Regulations, 1994*.
2. Paragraph 15 of regulation 353/1994 deals with refunds to the Revenue Commissioners. A repayment of VAT / VRT (previously refunded by the Revenue under the Disabled Drivers and Disabled Passengers (Tax Concession) Regulations 1994 (S.I.N0.353 of 1994)) is due to Revenue if the beneficiary sells the vehicle, disposes of it, claims a repayment in respect of a subsequent vehicle or ceases to use the first mentioned vehicle as a disabled driver or for transport of a disabled passenger, within 2 years of the date of purchase.



3. The matter in dispute between the parties relates to the amount, if any, that the Appellant should have to repay to the Revenue Commissioners under paragraph 15.
4. This Appeal, by agreement of the parties, is determined without a hearing, in accordance with Section 949U Taxes Consolidation Act 1997.

Background

5. The Appellant obtained a refund and remission of VAT and VRT amounting to €9,920 in redacted 2017, under the Disabled Drivers and Passengers Scheme, in respect of the purchase of an adapted new vehicle (Open Market Selling Price (OMSP) €29,768) for the transportation of her disabled spouse.
6. In January 2018 the vehicle was involved in a crash and suffered substantial damage. A redacted garage advised the pre-accident value was €26,500 and the insurance company stated the salvage value was €7,885. The Appellant advised she received €30,129 (including salvage value €7,885) in respect of her insurance claim for damages.
7. The Appellant purchased a new vehicle (OMSP €38,395) in June 2018. and obtained a repayment and remission of VAT and VRT amounting to €13,189 under the Scheme.
8. In order to qualify for admission for a repayment of VAT and VRT under the Disabled Drivers and Disabled Passengers repayment scheme in respect of the June 2018 vehicle, it was required of the Appellant that she repay to the Revenue Commissioners a portion (determined by a formula) of the VAT / VRT repayment in respect of the earlier 2017 purchased vehicle, since this was purchased less than two years previously. The refund was calculated in accordance with the formula prescribed by the Regulations at Paragraph 15(1) of Regulation 353/1994. The Appellant was requested to refund €8,633 to the Revenue Commissioners in respect of VAT /VRT.
9. It is this payment of €8,633 in respect of VAT / VRT which is the subject of this appeal.
10. On 17 October 2018, the Appellant wrote to the Revenue Commissioners appealing that she was required to repay €8,633 residual VAT/VRT. She argued that the repayment she had been required to make to Revenue should be based on the salvage value of €7,885 and not the pre-accident value of €26,500.



11. On the 14 December 2018 the Respondent wrote to the Appellant in the following terms:

"The case has been reviewed in light of your correspondence..."

In your case the vehicle ceased to be used for the transport of a disabled passenger on the date of the accident. The regulation sets out a formula for calculating the amount to be repaid to Revenue. The open market value of the vehicle must be used. The legislation has no reference to "salvage value". The open market value of the vehicle used in the original calculation was €26,500. This information was provided by you. This resulted in a repayment to the Revenue Commissioners of €8,633.21.

Based on independent industry research and taking your circumstances into account I am allowing an open market value of the vehicle of €24,000. This will result in the repayment to the Revenue Commissioners of €7,806.16 as opposed to €8,633.21.

I am arranging for a refund of €827.05 to issue to you.

If you are dissatisfied with this outcome you may apply, within 30 days of this letter to have your case heard by the Tax Appeal Commissioners."

12. The Appellant appealed Revenue's decision to the Tax Appeals Commission in January 2019.

Legislation

13. As set out in Appendix I below, the relevant legislative provisions are;

- S.I. No. 353/1994 – Disabled Drivers and Disabled Passengers (Tax Concessions) Regulations, 1994

The most pertinent sections of the legislation relevant to this appeal are set out below:

Regulation 2 (1) S.I. 353/1994 provides:

"disabled passenger" means a severely and permanently disabled person who possesses a certificate of the kind referred to in paragraph (a) or (b) of Regulation 4 and for whom a



vehicle has been specially constructed or adapted to the extent prescribed in Regulation 10 (1) (a), to take account of that passenger's disablement;

"residual value-added tax" means an amount determined by the Revenue Commissioners as being equivalent to the amount of value-added tax which would be included in the open market selling price of a vehicle if it were sold by an authorised person at the time specified in these Regulations;

"residual vehicle registration tax" means an amount determined by the Revenue Commissioners as being equivalent to the amount of vehicle registration tax which would be chargeable if that vehicle were liable for such tax at the time specified in these Regulations;

.....

Regulation 10 S.I. 353/1994 provides:

Reliefs for disabled passengers

10. (1) *Where a person satisfies the Revenue Commissioners that that person is a severely and permanently disabled passenger or a family member of such a disabled passenger residing with and responsible for the transportation of that disabled passenger and such person has borne or paid value-added tax, vehicle registration tax or residual vehicle registration tax in respect of a vehicle or in respect of the adaptation of a vehicle which—*

(a) has been specially constructed or adapted for use by that disabled passenger, and where the vehicle is so adapted, the cost of such adaptation excluding value-added tax consists of not less than the amount specified for the purpose in section 92 (1) of the Finance Act, 1989 :

...

(4) (b) Where a person receives a repayment or remission under paragraph (3) that person shall undertake—



- (i) to use the vehicle in question for the transportation of the disabled passenger in question, for a period of 2 years from the date on which the Revenue Commissioners receive the application for repayment, and to inform the Revenue Commissioners immediately if any circumstances arise during that period where the vehicle is sold or otherwise disposed of by that person, and
- (ii) to abide by the provisions of Regulation 15.

(c) Where the Revenue Commissioners accept a claim under this Regulation in respect of the transport of a disabled passenger, they shall not accept a claim (other than in the circumstances to which Regulation 15 applies) relating to any further vehicle in respect of the transport of the same passenger for a period of 2 years from the date of purchase of the vehicle for which the claim was accepted where such claim was made under the provisions of paragraph (1) or (2), and a period of 2 years from the date of receipt of the application by the Revenue Commissioners, where such application was made under the provisions of paragraph (3).

(d) Where the Revenue Commissioners have accepted a claim for repayment of vehicle registration tax in respect of the transport of a disabled person as passenger under the Disabled Drivers (Tax Concessions) Regulations, 1989, they shall not accept a claim relating to any further vehicle in respect of the transport of the same passenger for a period of 2 years from the date of purchase of the vehicle for which the claim was accepted:

Provided that the Revenue Commissioners may waive this provision in exceptional circumstances subject to the refund of a portion of the repayment, calculated in accordance with the formula set out in Regulation 15(1).



Regulation 15 S.I. 353/1994 provides:

Refunds to the Revenue Commissioners

15. (1) *Where a beneficiary of a repayment or remission under Regulation 8 or 10 in respect of a vehicle (in this Regulation referred to as “the first-mentioned vehicle”)-*

(a) sells it or otherwise disposes of it within 2 years of the date of purchase or, in the case of a person referred to in Regulation 8(3) or 10(3), within 2 years of the date on which the Revenue Commissioners receive the application for repayment,

(b) claims a repayment or remission under the same Regulation in respect of a subsequent vehicle purchased by that person within 2 years of purchasing the first-mentioned vehicle, or, in the case of a person referred to in Regulation 8(3) or 10(3), within 2 years of the date on which the Revenue Commissioners receive the application for repayment, or

(c) ceases to use the first-mentioned vehicle as a disabled driver or for the transport of the disabled passenger concerned within 2 years of the date of purchase or, in the case of a person referred to in Regulation 8(3) or 10(3), within 2 years of the date on which the Revenue Commissioners receive the claim for repayment,

such person shall refund to the Revenue Commissioners a portion of the amount which was either or both repaid and remitted on the first-mentioned vehicle, calculated by the Revenue Commissioners according to the following formula:

$$A \times \frac{B}{(C + D)}$$

where:

A is the open market selling price of the first-mentioned vehicle on the date of its sale or disposal or on the date of purchase of the subsequent vehicle, whichever is applicable,

B is the total amount repaid or remitted in respect of the first-mentioned vehicle and any adaptations thereto,



C is the open market selling price of the first-mentioned vehicle at the time of its purchase by the beneficiary, and

D is the cost including value-added tax of any adaptations to the first-mentioned vehicle on which repayment was claimed by the beneficiary.

.....

(5) The Revenue Commissioners shall not repay or remit any tax or residual vehicle registration tax under Regulation 8, 10 or 12 or in accordance with Regulation 8A, 10A or 12A in respect of any vehicle unless the provisions of paragraph (2) or (4), as the case may be, have been fulfilled.

(6) In exceptional cases, and subject to such conditions as they consider necessary in each such case, the Revenue Commissioners may reduce the amount of the refund required under this Regulation (Emphasis added).

Submissions

14. The Appellant stated the following within her submission:

“The salvage value of the car should be used in calculating the refund of VAT/VRT due back to Revenue. If the salvage value is used the refund (owing by the Appellant) should be €2,570 approx. rather than the figure of €7,806 per Revenue”

15. The Appellant submitted as evidence what appears to be a print-screen from the Respondent’s website showing the following text taken from Leaflet VRT & Drivers and Passenger with Disabilities Tax Relief Scheme paragraph 11.1 which states:

‘Where the vehicle is disposed of following damage in an accident, the damage will be taken into account in calculating the refund to the Revenue Commissioners (salvage value)’

16. The Appellant submitted as evidence a copy of her correspondence with **redacted** insurance stating that the salvage value of the vehicle was €7,885 and the settlement value for her claim excluding salvage value was €22,244.

17. The Respondent stated the following within its submission:



“In redacted 2018 the vehicle was involved in a crash and suffered substantial damage. A redacted garage advised the pre-accident value was €26,500 and the insurance company stated the salvage value was €7,885. Redacted advised she received €29,000 (including salvage value €7,885) in respect of her insurance claim for damages.

Redacted purchased a new vehicle (OMSP €38,395) in redacted 2018 and obtained a repayment and remission of VAT and VRT amounting to €13,189 under the Scheme. Redacted was requested to refund €8,633 to the Revenue Commissioners as the second claim was made within 2 years of purchasing the first vehicle.”...

The Revenue Commissioners contend the vehicle ceased to be used for the transport of a disabled passenger on the date of the accident and the OMSP at the date of the accident should be used. There is no mention of salvage value in the legislation. Following industry research, the OMSP at date of accident was revised to €24,000. This resulted in a revised calculation of the refund amounting to €7,806 to be paid to the Revenue Commissioners.”

Analysis

18. Regulation 10 deals with the conditions where a person seeks relief under the regulations for a second vehicle, within 2 years of having previously claimed relief. It requires

“that person shall undertake to use the vehicle in question for the transportation of the disabled passenger in question, for a period of 2 years from the date on which the Revenue Commissioners receive the application for repayment, and to inform the Revenue Commissioners immediately if any circumstances arise during that period where the vehicle is sold or otherwise disposed of by that person, and to abide by the provisions of Regulation 15.”

19. Regulation 15 deals with refunds to the Revenue Commissioners. A repayment of VAT / VRT (previously refunded by the Revenue under the Disabled Drivers and Disabled Passengers (Tax Concession) Regulations 1994 (S.I.N0.353 of 1994)) is due to Revenue if the beneficiary sells the vehicle, disposes of it, claims a repayment in respect of a subsequent vehicle or ceases to use the first mentioned vehicle as a disabled driver or for transport of a disabled passenger, within 2 years of the date of purchase.



20. It would appear that the Appellant has fully complied with the terms of Regulation 10 in so far that the Respondent granted her relief on the 2018 replacement vehicle and she paid the amount requested by Revenue under Regulation 15.

21. By making her application for relief (and succeeding) for the second (2018) vehicle, the Appellant has "*undertaken... to abide by the provisions of Regulation 15.*"

22. Regulation 15 has been operated by the Revenue, fully in accordance with its provisions with the agreement of the Appellant, so that her claim on the second vehicle (2018) could be progressed.

23. 'A' in the formula at Paragraph 15(1) is defined as;

'A is the open market selling price of the first-mentioned vehicle on the date of its sale or disposal or on the date of purchase of the subsequent vehicle, whichever is applicable,'

24. The Respondent stated that;

'The Revenue Commissioners contend the vehicle ceased to be used for the transport of a disabled passenger on the date of the accident and the OMSP at the date of the accident should be used. There is no mention of salvage value in the legislation.'

25. It is clear to me that the application of the formula by the Respondent seeks to calculate the proportion of the original VAT / VRT exemption based on the value of the vehicle at the time the vehicle ceased to be used for transport of a disabled passenger.

26. Given that the Appellant was fully reimbursed, including for fees, by the insurance company in respect of the first damaged vehicle in the amount of €22,244 (excluding salvage value of €7,885), thereby also being effectively reimbursed for the residual VAT / VRT on this vehicle, it is difficult to see on what basis the repayment should be based on the salvage value only, as argued by the Appellant, given that the legislative formula does not allow for this.

27. Interestingly, the text of the current Revenue Leaflet VRT 7 as it appears on the Respondent's website reads differently to the version supplied by the Appellant, as follows:



'Where the vehicle is disposed of following damage in an accident, within the holding period a refund is due to the Revenue Commissioners. The salvage certificate and insurance settlement letter should be forward to Revenue to calculate this refund figure'.

28. Paragraph 15(6) of Regulation 353/1994 allows Revenue, to adjust the amount required to be repaid as follows:

"(6) In exceptional cases, and subject to such conditions as they consider necessary in each such case, the Revenue Commissioners may reduce the amount of the refund required under this Regulation."

29. Given that the Appellant was fully reimbursed on the first vehicle by her insurer, I see no basis for invoking paragraph 6 of Regulation 15.

Conclusion

30. In accordance with the provisions of S.I. No. 353/1994, I determine that the repayment due by the Appellant falls to be calculated in accordance with regulation 15(1) of the Regulations, which limits the repayment amount due by the Appellant to the appropriate proportion of the residual value-added tax and residual vehicle registration tax based on the open market selling price at the time the Appellant ceased to use the vehicle for the transport of a disabled person.

31. I determine that the repayment due in respect of the July 2017 vehicle by the Appellant is €7,806.

32. This appeal is determined in accordance with s.949AL TCA 1997.

PAUL CUMMINS

APPEAL COMMISSIONER

22 JANUARY 2020



APPENDIX I – Legislation

S.I. No: 353 of 1994

Disabled drivers and disabled passengers (tax concessions) regulations, 1994

1. These Regulations may be cited as the Disabled Drivers and Disabled Passengers (Tax Concessions) Regulations, 1994, and shall come into operation on the 1st day of December, 1994.

2. (1) In these Regulations—

"adapted", in relation to a vehicle, does not include adaptations of production line models which are available from the manufacturer or assembler thereof as an optional extra, and "adaptation" shall be construed accordingly;

"authorised person" means a person authorised under section 136 of the Finance Act, 1992 (No. 9 of 1992);

"Board medical certificate" means a certificate duly completed in the form prescribed in the Second Schedule and issued by the Disabled Drivers Medical Board of Appeal or a certificate duly completed in the form prescribed in the Second Schedule to the Disabled Drivers (Tax Concessions) Regulations, 1989 (S.I. No. 340 of 1989), and so issued under those Regulations;

"conversion" has the meaning assigned to it in section 130 of the Finance Act, 1992 ;

"disabled driver" means a severely and permanently disabled person who possesses a certificate of the kind referred to in paragraph (a) or (b) of Regulation 4 and whose disablement is of such a nature that the person concerned could not drive a vehicle unless it is specially constructed or adapted to take account of that disablement;

"disabled passenger" means a severely and permanently disabled person who possesses a certificate of the kind referred to in paragraph (a) or (b) of Regulation 4 and for whom a vehicle has been specially constructed or adapted to the extent prescribed in Regulation 10 (1) (a), to take account of that passenger's disablement;

"disabled person" means a person who is severely and permanently disabled, fulfilling one or more of the medical criteria set out in Regulation 3;



"licensing authority" has the meaning assigned to it in section 130 of the Finance Act, 1992 ;

"purchased" does not include any form of lease arrangement;

"qualifying organisation" means a philanthropic organisation which is not funded primarily by—

(a) the State,

(b) any board established by statute, or

(c) any public or local authority,

which organisation is chiefly engaged, in a voluntary capacity on a non-commercial basis, in the care and transport of severely and permanently disabled persons and which is recognised as such, for the purposes of these Regulations, by the Revenue Commissioner;

"registered" has the meaning assigned to it in section 130 of the Finance Act, 1992 ;

"residual value-added tax" means an amount determined by the Revenue Commissioners as being equivalent to the amount of value-added tax which would be included in the open market selling price of a vehicle if it were sold by an authorised person at the time specified in these Regulations;

"residual vehicle registration tax" means an amount determined by the Revenue Commissioners as being equivalent to the amount of vehicle registration tax which would be chargeable if that vehicle were liable for such tax at the time specified in these Regulations;

"vehicle" has the meaning assigned to it in section 130 of the Finance Act, 1992 .

(2) In these Regulations a reference to a Regulation or Schedule is to a Regulation of, or Schedule to, these Regulations and a reference to a paragraph or subparagraph is to a paragraph or subparagraph of the provision in which the reference occurs.



Medical criteria

3. For the purposes of section 92 (2) (a) of the Finance Act, 1989 , the eligibility on medical grounds of disabled persons who are severely and permanently disabled shall be assessed by reference to any one or more of the following medical criteria:

(a) persons who are wholly or almost wholly without the use of both legs;

(b) persons wholly without the use of one of their legs and almost wholly without the use of the other leg such that they are severely restricted as to movement of their lower limbs;

(c) persons without both hands or without both arms;

(d) persons without one or both legs;

(e) persons wholly or almost wholly without the use of both hands or arms and wholly or almost wholly without the use of one leg;

(f) persons having the medical condition of dwarfism and who have serious difficulties of movement of the lower limbs.

4. Without prejudice to Regulation 5, a claim for repayment or remission under these Regulations shall be allowed only where the person who makes the claim, or in connection with whom the claim is made, is in possession of either—

(a) a primary medical certificate duly completed in the form prescribed in the First Schedule as evidence of qualifying disablement, signed, dated and endorsed with the official stamp by the appropriate Director of Community Care and Medical Officer of Health, or

(b) a Board medical certificate duly completed in the form prescribed in the Second Schedule as evidence of qualifying disablement, signed and dated by a member of the Disabled Drivers Medical Board of Appeal:

Provided that compliance with this Regulation may be waived by the Revenue Commissioners in the case of a claim made by a qualifying organisation.



5. Any person who is deemed, by virtue of section 92 (3) (b) of the Finance Act, 1989 , to be a person who possesses a primary medical certificate shall be deemed to have satisfied the Revenue Commissioners and the licensing authority concerned that that person is a disabled driver or a disabled passenger as the case may be...

Reliefs for disabled passengers

10. (1) Where a person satisfies the Revenue Commissioners that that person is a severely and permanently disabled passenger or a family member of such a disabled passenger residing with and responsible for the transportation of that disabled passenger and such person has borne or paid value-added tax, vehicle registration tax or residual vehicle registration tax in respect of a vehicle or in respect of the adaptation of a vehicle which—

(a) has been specially constructed or adapted for use by that disabled passenger, and where the vehicle is so adapted, the cost of such adaptation excluding value-added tax consists of not less than the amount specified for the purpose in section 92 (1) of the Finance Act, 1989 :

Provided that in calculating the cost of adaptation of such vehicle, if the Revenue Commissioners so approve, there shall be included—

(i) the cost of conversion of that vehicle, excluding the additional vehicle registration tax incurred in such conversion, and

(ii) the purchase cost excluding value-added tax of any adaptations previously fitted to another vehicle adapted for use by that disabled passenger, and refitted to the vehicle in question,

(b) has been purchased by the disabled passenger or by the said family member of that disabled passenger for the purpose of transporting that person, and

(c) is fitted with an engine whose capacity is not greater than 4,000 cubic centimetres,

the person who has borne or paid the said amounts of tax and residual vehicle registration tax shall be entitled to be repaid same, subject to the limit specified in Regulation II for the purposes of this Regulation:



Provided that the Revenue Commissioners shall repay residual vehicle registration tax only where the said person has purchased the vehicle in question from an authorised person.

(2) Where at the time of registration of a vehicle by a severely and permanently disabled passenger or by a family member of a severely and permanently disabled passenger residing with and responsible for the transportation of that disabled person and the vehicle in question complies with the provisions set out at subparagraphs (a), (b) and (c) of paragraph (1), the Revenue Commissioners shall remit the vehicle registration tax payable, subject to the limit specified in Regulation 11 for the purposes of this Regulation.

(3) Where, after these Regulations come into force, a person becomes a severely and permanently disabled person who fulfils one of the medical criteria set out in Regulation 3 after that person or a family member of that person residing with and responsible for the transportation of that person has purchased a vehicle which complies with the provision set out at paragraph (1) (c) and the vehicle is adapted to the extent outlined in paragraph (1) (a) for the disabled person's use as a passenger, the person who has purchased the vehicle shall be entitled to be repaid—

(a) the amount of residual value-added tax and residual vehicle registration tax appropriate to the vehicle at the time such person lodges a claim with the Revenue Commissioners, and

(b) the value-added tax charged in respect of the adaptation of that vehicle,

subject to the limit specified in Regulation 11 for the purposes of this Regulation.

(4) (a) Where a person receives a repayment or remission under paragraph (1) or (2) of this Regulation that person shall undertake—

(i) to use the vehicle in question for the transportation of the disabled passenger in question, for a period of 2 years from the date of purchase, and to inform the Revenue Commissioners immediately if any circumstances arise during that period where the vehicle is sold or otherwise disposed of by that person, and

(ii) to abide by the provisions of Regulation 15.

(b) Where a person receives a repayment or remission under paragraph (3) that person shall undertake—



(i) to use the vehicle in question for the transportation of the disabled passenger in question, for a period of 2 years from the date on which the Revenue Commissioners receive the application for repayment, and to inform the Revenue Commissioners immediately if any circumstances arise during that period where the vehicle is sold or otherwise disposed of by that person, and

(ii) to abide by the provisions of Regulation 15.

(c) Where the Revenue Commissioners accept a claim under this Regulation in respect of the transport of a disabled passenger, they shall not accept a claim (other than in the circumstances to which Regulation 15 applies) relating to any further vehicle in respect of the transport of the same passenger for a period of 2 years from the date of purchase of the vehicle for which the claim was accepted where such claim was made under the provisions of paragraph (1) or (2), and a period of 2 years from the date of receipt of the application by the Revenue Commissioners, where such application was made under the provisions of paragraph (3)...

Provided that the Revenue Commissioners may waive this provision in exceptional circumstances subject to the refund of a portion of the repayment, calculated in accordance with the formula set out in Regulation 15 (1)....

Refunds to the Revenue Commissioners

15. (1) Where a beneficiary of a repayment or remission under Regulation 8 or 10 in respect of a vehicle (in this Regulation referred to as "the first-mentioned vehicle")—

(a) sells it or otherwise disposes of it within 2 years of the date of purchase or, in the case of a person referred to in Regulation 8 (3) or 10 (3), within 2 years of the date on which the Revenue Commissioners receive the application for repayment, or

(b) claims a repayment or remission under the same Regulation in respect of a subsequent vehicle purchased by that person within 2 years of purchasing the first-mentioned vehicle, or, in the case of a person referred to in Regulation 8 (3) or 10 (3), within 2 years of the date on which the Revenue Commissioners receive the application for repayment,



such person shall refund to the Revenue Commissioners a portion of the amount which was either or both repaid and remitted on the first-mentioned vehicle, calculated by the Revenue Commissioners according to the following formula:

$$A \times \frac{B}{(C+D)}$$

where:

A is the open market selling price of the first-mentioned vehicle on the date of its sale or disposal or on the date of purchase of the subsequent vehicle, whichever is applicable,

B is the total amount repaid or remitted in respect of the first-mentioned vehicle and any adaptations thereto,

C is the open market selling price of the first-mentioned vehicle at the time of its purchase by the beneficiary, and

D is the cost including value-added tax of any adaptations to the first-mentioned vehicle on which repayment was claimed by the beneficiary.

(2) The refund referred to in paragraph (1) shall be paid to the Revenue Commissioners within one month of the sale or disposal of the first-mentioned vehicle, but where the circumstances referred to at paragraph (1) (b) apply, not later than the time of the repayment or remission of any tax in respect of the subsequent vehicle.

(3) Where a qualifying organisation which receives a repayment or remission under Regulation 12 in respect of a vehicle sells it or otherwise disposes of it within 2 years of the date of purchase such organisation shall refund to the Revenue Commissioners a portion of the amount which was either or both repaid and remitted on the vehicle, calculated by the Revenue Commissioners according to the following formula:

$$A \times \frac{B}{(C+D)}$$

where:



A is the open market selling price of the vehicle on the date of its sale or disposal,

B is the total amount repaid or remitted in respect of the vehicle and any adaptations thereto,

C is the open market selling price of the vehicle at the time of its purchase by the organisation, and

D is the cost including value-added tax of any adaptations to the vehicle on which repayment was claimed by the organisation.

(4) The refund referred to in paragraph (3) shall be paid to the Revenue Commissioners within one month of the sale or disposal of the vehicle in question.

(5) The Revenue Commissioners shall not repay or remit any tax or residual vehicle registration tax under Regulation 8, 10 or 12 in respect of any vehicle unless the provisions of paragraph (2) or (4), as the case may be, have been fulfilled.

(6) In exceptional cases, and subject to such conditions as they consider necessary in each such case, the Revenue Commissioners may reduce the amount of the refund required under this Regulation.

