STATUTORY INSTRUMENTS

1978 No. 434

INCOME TAX

The Income Tax (Cash Equivalents of Car Benefits) Order 1978

Made - - - - - - -	14*th March* 1978
Laid before the House of Commons	3*rd April* 1978
Coming into Operation - - -	6*th April* 1978

The Treasury, in exercise of the powers conferred on them by section 64(4) of the Finance Act 1976(**a**), hereby make the following Order—

1.—(1) This Order may be cited as the Income Tax (Cash equivalent of Car Benefits) Order 1978 and shall come into force on 6th April 1978.

(2) The Interpretation Act 1889(**b**) shall apply for the interpretation of this Order as it applies for the interpretation of an Act of Parliament.

2. The money sum specified in subsection (2)(*a*) of section 64 of the Finance Act 1976 (which imposes a charge to income tax on the benefit of a car made available for private use by reason of an employment) shall be increased to £8,000.

3. In Part 1 of Schedule 7 to the Finance Act 1976 (Tables of flat rate cash equivalents) for Tables A, B and C there shall be substituted the following Tables:—

TABLE A

CARS WITH ORIGINAL MARKET VALUE UP TO £8,000 AND HAVING A CYLINDER CAPACITY

Cylinder capacity of car in cubic centimetres	Age of car at end of relevant year of assessment	
	Under 4 years	4 years or more
1,300 or less	£190	£130
More than 1,300, but not more than 1,800 ...	£250	£165
More than 1,800	£380	£255

(**a**) 1976 c. 40. (**b**) 1889 c. 63.

TABLE B

CARS WITH ORIGINAL MARKET VALUE UP TO £8,000 AND NOT HAVING A CYLINDER CAPACITY

Original market value of car	Age of car at end of relevant year of assessment	
	Under 4 years	4 years or more
Less than £2,500	£190	£130
£2,500 or more, but less than £3,500	£250	£165
£3,500 or more, but not more than £8,000 ...	£380	£255

TABLE C

CARS WITH ORIGINAL MARKET VALUE MORE THAN £8,000

Original market value of car	Age of car at end of relevant year of assessment	
	Under 4 years	4 years or more
More than £8,000, but not more than £12,000...	£550	£365
More than £12,000	£880	£585

Donald R. Coleman,
T. E. Graham,
Two of the Lords Commissioners of Her Majesty's Treasury

14th March 1978.

EXPLANATORY NOTE

(This Note is not part of the Order.)

This Order prescribes with effect from 6th April 1978 new amounts of cash equivalents on which directors and higher-paid employees are chargeable to income tax under the Finance Act 1976 in respect of the benefit of a car made available for private use by reason of their employment. For this purpose higher-paid employees are those earning at the rate of £7,500 or more a year.

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