STATUTORY INSTRUMENTS

1984 No. 1635

INCOME TAX

The Income Tax (Cash Equivalents of Car Benefits) Order 1984

Made - - -	*22nd October* 1984
Laid before the House of Commons	*30th October* 1984
Coming into Operation	*6th April* 1985

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. This Order may be cited as the Income Tax (Cash Equivalents of Car Benefits) Order 1984 and shall come into force on 6th April 1985.

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 further increased to £17,500.

3. In Part I of Schedule 7 to the 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 £17,500 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	£410	£275
More than 1,300, but not more than 1,800	£525	£350
More than 1,800	£825	£550

(**a**) 1976 c.40; section 64(4) was amended by section 51(2) of the Finance Act 1980 (c.48).

TABLE B

CARS WITH ORIGINAL MARKET VALUE UP TO £17,500 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 £5,500	£410	£275
£5,500 or more, but less than £7,700	£525	£350
£7,700 or more, but not more than £17,500	£825	£550

TABLE C

CARS WITH ORIGINAL MARKET VALUE MORE THAN £17,500

Original market value of car	Age of car at end of relevant year of assessment	
	Under 4 years	4 years or more
More than £17,500, but not more than £26,500	£1,200	£800
More than £26,500	£1,900	£1,270

4. The money sum specified in paragraph 1(1) of Part II of Schedule 7 to the Finance Act 1976 shall be increased to £17,500.

Ian B. Lang,
Donald Thompson,
Two of the Lords Commissioners of
Her Majesty's Treasury.

22nd October 1984.

EXPLANATORY NOTE

(This Note is not part of the Order.)

This Order prescribes with effect from 6th April 1985 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 £8,500 or more a year.

The Order replaces S.I. 1983/1102.

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