STATUTORY INSTRUMENTS

1986 No. 703

INCOME TAX

The Income Tax (Cash Equivalents of Car Benefits) Order 1986

Made - - - -	14*th April* 1986
Laid before the House of Commons	18*th April* 1986
Coming into Operation	6*th April* 1987

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 1986 and shall come into force on 6th April 1987.

2. In Part I 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 £19,250 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
1,400 or less	£525	£350
More than 1,400, but not more than 2,000	£700	£470
More than 2,000	£1,100	£725

TABLE B

CARS WITH ORIGINAL MARKET VALUE UP TO £19,250 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 £6,000	£525	£350
£6,000 or more, but less than £8,500	£700	£470
£8,500 or more, but not more than £19,250	£1,100	£725

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

TABLE C

CARS WITH ORIGINAL MARKET VALUE MORE THAN £19,250

Original market value of car	Age of car at end of relevant year of assessment	
	Under 4 years	4 years or more
More than £19,250, but not more than £29,000	£1,450	£970
More than £29,000	£2,300	£1,530

Donald Thompson,
A.G. Hamilton,
Two of the Lords Commissioners of
Her Majesty's Treasury.

14th April 1986.

EXPLANATORY NOTE

(*This Note is not part of the Order.*)

This Order prescribes with effect from 6th April 1987 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.

In the new Table A, the cylinder capacity breakpoints have also been changed to align with those proposed in the European Community Draft Directive on motor vehicle emissions (European Document number 7283/85); the previous breakpoints were 1300cc and 1800cc.

The Order replaces S.I. 1985/1598.

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