



Finance (No. 2) Act 1979

1979 CHAPTER 47

PART II

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

14 Capital allowances: motor vehicles

- (1) Section 43 of the Finance Act 1971 (which excludes from first-year allowances road vehicles not falling within paragraph (a), (b) or (c) of that section) shall be amended in accordance with subsections (2) and (3) below.
- (2) The existing provisions of that section shall become subsection (1) and in paragraph (c) (vehicles provided for hire to, or the carriage of, members of the public in the ordinary course of a trade) after " (c) " there shall be inserted the words " subject to subsection (2) below, ".
- (3) For the purposes of subsection (2) above persons who are connected with each other within the meaning of section 533 of the Taxes Act shall be treated as the same person ; and that subsection does not affect vehicles provided wholly or mainly for the use of persons in receipt of a mobility allowance under the Social Security Act 1975 or the Social Security (Northern Ireland) Act 1975."

“(2) Subsection (1)(c) above applies to a vehicle only if—

- (a) the following conditions are satisfied—
 - (i) the number of consecutive days for which it is on hire to, or used for the carriage of, the same person will normally be less than thirty ; and
 - (ii) the total number of days for which it is on hire to, or used for the carriage of, the same person in any period of twelve months will normally be less than ninety ; or
- (b) it is provided for hire to a person who will himself use it wholly or mainly for hire to, or the carriage of, members of the public in the ordinary course of a trade and in a manner complying with the conditions specified in paragraph (a) above.

Status: This is the original version (as it was originally enacted).

- (3) For the purposes of subsection (2) above persons who are connected with each other within the meaning of section 533 of the Taxes Act shall be treated as the same person ; and that subsection does not affect vehicles provided wholly or mainly for the use of persons in receipt of a mobility allowance under the Social Security Act 1975 or the Social Security (Northern Ireland) Act 1975.”.
- (4) In paragraph 9 of Schedule 8 to the said Act of 1971 (which defines the vehicles to which the special rules in paragraphs 10 to 12 apply as those not falling within paragraph (a), (b) or (c) of section 43) for the words " section 43 of this Act" there shall be substituted the words " section 43(1) of this Act ".
- (5) In paragraphs 10 to 12 of that Schedule (special capital allowance rules for motor vehicles) for " £5,000 " and " £1,250 " wherever they occur there shall be substituted respectively " £8,000 " and " £2,000 ".
- (6) After paragraph 12 of that Schedule there shall be inserted—
- “12A The Treasury may by order increase or further increase the sums of money specified in paragraphs 10, 11 and 12 above; and any such order shall be made by statutory instrument subject to annulment in pursuance of a resolution of the House of Commons.”.
- (7) Subject to subsection (8) below, this section applies in relation to expenditure incurred after 12th June 1979, and for the purposes of this subsection expenditure is incurred on the date when the sums in question become payable.
- (8) This section does not affect the operation of the said section 43 in relation to any expenditure on the provision of a vehicle if the expenditure consists of the payment of sums payable under a contract entered into on or before the said 12th June and the vehicle is brought into use not later than 12th June 1980.