



Income Tax (Earnings and Pensions) Act 2003

2003 CHAPTER 1

PART 3

EMPLOYMENT INCOME: EARNINGS AND BENEFITS ETC. TREATED AS EARNINGS

CHAPTER 6

TAXABLE BENEFITS: CARS, VANS AND RELATED BENEFITS

Cars: special cases

[^{F1}147A Classic cars: optional remuneration arrangements

- (1) This section applies in calculating the relevant amount in respect of a car for a tax year for the purposes of section 120A (benefit of car treated as earnings: optional remuneration arrangements) if—
 - (a) the age of the car at the end of the year is 15 years or more,
 - (b) the market value of the car for the year is £15,000 or more, and
 - (c) that market value exceeds the specified amount (see subsection (4)).
- (2) In calculating the modified cash equivalent of the benefit of the car, for the interim sum calculated under step 2 of section 121B(1) substitute the market value of the car for the tax year in question.
- (3) Section 132A (capital contributions by employee: optional remuneration arrangements) has effect as if—
 - (a) in subsection (1)(b) the reference to calculating under section 121B the modified cash equivalent of the benefit of the car were to determining the market value of the car, and

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- (b) in subsection (5)(a)(ii) the reference to calculating under section 121B the modified cash equivalent of the benefit of the car for the tax year in question were to determining the market value of the car for the tax year in question.
- (4) The “specified amount” is found as follows.
- Step 1* Find what would be the interim sum under step 2 of section 121B(1) (if subsection (2) of this section did not have effect).
- Step 2* (Assuming for this purpose that the reference in section 132(2) to step 2 of section 121(1) includes a reference to step 1 of this subsection) make any deduction under section 132 for capital contributions made by the employee to the cost of the car or accessories.
- The resulting amount is the specified amount.
- (5) The market value of a car for a tax year is to be determined in accordance with section 147(3) and (4).]

Textual Amendments

- F1** S. 147A inserted (with effect in accordance with Sch. 2 para. 62 of the amending Act) by [Finance Act 2017 \(c. 10\)](#), [Sch. 2 para. 32](#)

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