
Changes to legislation: There are currently no known outstanding effects for the Finance Act 2017, Section 27. (See end of Document for details)

SCHEDULES

SCHEDULE 2

OPTIONAL REMUNERATION ARRANGEMENTS

Benefits in kind: amount treated as earnings

27 After section 132 insert—

“132A Capital contributions by employee: optional remuneration arrangements

- (1) This section applies for the purposes of section 121A(1) if the employee contributes a capital sum to expenditure on the provision of—
 - (a) the car, or
 - (b) any qualifying accessory which is taken into account in calculating under section 121B the modified cash equivalent of the benefit of the car.
- (2) A deduction is to be made from the amount carried forward from step 1 of section 121A(1)—
 - (a) for the tax year in which the contribution is made, and
 - (b) for all subsequent tax years in which the employee is chargeable to tax in respect of the car by virtue of section 120A.
- (3) The amount of the deduction allowed in any tax year is found by multiplying the capped amount by the appropriate percentage.
- (4) In subsection (3) the reference to “the appropriate percentage” is to the appropriate percentage for the car for the tax year (determined in accordance with sections 133 to 142).
- (5) In this section “the capped amount” means the lesser of—
 - (a) the total of the capital sums contributed by the employee in that year and any earlier years to expenditure on the provision of—
 - (i) the car, or
 - (ii) any qualifying accessory which is taken into account in calculating under section 121B the modified cash equivalent of the benefit of the car for the tax year in question, and
 - (b) £5,000.
- (6) This section is modified by section 147A (classic cars: optional remuneration arrangements).”

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