
STATUTORY INSTRUMENTS

2008 No. 511

INCOME TAX

The Car Fuel Benefit Order 2008

Made - - - - 26th February 2008
Laid before the House of
Commons - - - - 27th February 2008
Coming into force - - 19th March 2008

The Treasury make the following Order in exercise of the powers conferred by section 170(5) and (6) of the Income Tax (Earnings and Pensions) Act 2003⁽¹⁾.

Citation, commencement and effect

1.—(1) This Order may be cited as the Car Fuel Benefit Order 2008.

(2) This Order shall come into force on 19th March 2008 and has effect for the tax year 2008-09 and subsequent tax years.

Amendment to section 150 of the Income Tax (Earnings and Pensions) Act 2003

2. In section 150(1) of the Income Tax (Earnings and Pensions) Act 2003 (car fuel: calculating the cash equivalent) for “£14,400” substitute “£16,900”.

26th February 2008

Alan Campbell
Dave Watts
Two of the Lords Commissioners of Her
Majesty’s Treasury

(1) 2003 c. 1. Subsection (5) was amended by paragraph 7(4) of Schedule 14 to the Finance Act 2004 (c. 12).

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

EXPLANATORY NOTE

(This note is not part of the Order)

This Order amends section 150(1) of the Income Tax (Earnings and Pensions) Act 2003 (“the Act”).

Where an employee receives fuel for a car by reason of his or her employment, the cash equivalent of the benefit of the fuel is treated as earnings from employment under section 149 of the Act and is subject to tax and national insurance contributions.

The cash equivalent of the benefit is calculated by applying the “appropriate percentage” (calculated by reference to the CO2 emissions of a car) to the figure of £14,400 in section 150(1) of the Act.

Article 2 of this Order increases the figure in section 150(1) of the Act to £16,900.

An impact assessment has not been produced for this instrument as no impact on the private or voluntary sectors is foreseen.