
S T A T U T O R Y I N S T R U M E N T S

1981 No. 974

INCOME TAX

**The Income Tax (Cash Equivalents of Car Benefits)
Order 1981**

Made - - - - - *7th July 1981*

Laid before the House of Commons *9th July 1981*

Coming into Operation - - - *6th April 1982*

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 1981 and shall come into force on 6th April 1982.

2. The money sum specified in subsection (2)(a) of section 64 of the Finance Act 1976 (which imposes a charge to income tax on the benefit of a car made available for private use by reason of an employment) shall be further increased to £11,500.

3. 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 £11,500
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
1,300 or less	£270	£180
More than 1,300, but not more than 1,800 ..	£360	£240
More than 1,800	£540	£360

(a) 1976 c. 40.

TABLE B
CARS WITH ORIGINAL MARKET VALUE UP TO £11,500
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 £3,600	£270	£180
£3,600 or more, but less than £5,100	£360	£240
£5,100 or more, but not more than £11,500	£540	£360

TABLE C
CARS WITH ORIGINAL MARKET VALUE MORE THAN £11,500

Original market value of car	Age of car at end of relevant year of assessment	
	Under 4 years	4 years or more
More than £11,500 but not more than £17,300	£780	£528
More than £17,300	£1,260	£840

7th July 1981.

Robert Boscawen,
J. A. Douglas-Hamilton,
Two of the Lords Commissioners
of Her Majesty's Treasury.

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

This Order prescribes with effect from 6th April 1982 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.

The Order replaces S.I. 1980/889.

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