
STATUTORY INSTRUMENTS

1985 No. 1598

INCOME TAX

The Income Tax (Cash Equivalents of Car Benefits) Order 1985*Made* - - - 21st October 1985*Laid before the
House of Commons* 28th October 1985*Coming into Operation* 6th April 1986

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 1985 and shall come into force on 6th April 1986.

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 £19,250.

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 £19,250 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	£450	£300
More than 1,300, but not more than 1,800	£575	£380
More than 1,800	£900	£600

(a) 1976 c.40; section 64(4) was amended by section 51(2) of the Finance Act 1980 (c.48).

TABLE B

CARS WITH ORIGINAL MARKET VALUE UP TO £19,250 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 £6,000	£450	£300
£6,000 or more, but less than £8,500	£575	£380
£8,500 or more, but not more than £19,250	£900	£600

TABLE C

CARS WITH ORIGINAL MARKET VALUE MORE THAN £19,250

Original market value of car	Age of car at end of relevant year of assessment	
	Under 4 years	4 years or more
More than £19,250, but not more than £29,000	£1,320	£875
More than £29,000	£2,100	£1,400

4. The money sum specified in paragraph 1(1) of Part II of Schedule 7 to the Finance Act 1976 shall be increased to £19,250.

T. Garel-Jones,
A. G. Hamilton,
 Two of the Lords Commissioners of
 Her Majesty's Treasury.

21st October 1985.

EXPLANATORY NOTE

(This Note is not part of the Order.)

This Order prescribes with effect from 6th April 1986 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. 1984/1635.

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