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*Status: Point in time view as at 31/07/1998.*

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# Finance Act 1998

## 1998 CHAPTER 36

### PART III

#### INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

### CHAPTER I

#### INCOME TAX AND CORPORATION TAX

#### *Benefits in kind*

#### **59 Car fuel.**

(1) In section 158 of the Taxes Act 1988 (car fuel) for the Tables in subsection (2) (tables of cash equivalents) there shall be substituted—

“ TABLE A

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| <i>Cylinder capacity of car in cubic centimetres</i> | <i>Cash equivalent</i> |
|--|------------------------|
| 1,400 or less  | £1,010                 |
| More than 1,400 but not more than 2,000              | £1,280                 |
| More than 2,000                                      | £1,890                 |

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TABLE AB

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| <i>Cylinder capacity of car in cubic centimetres</i> | <i>Cash equivalent</i> |
|--|------------------------|
| 2,000 or less  | £1,280                 |

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|                 |        |
|-----------------|--------|
| More than 2,000 | £1,890 |
|-----------------|--------|

TABLE B

| <i>Description of car</i> | <i>Cash equivalent</i> |
|---------------------------|------------------------|
| Any car                   | £1,890”                |

(2) This section shall have effect for the year 1998-99 and subsequent years of assessment.

### 60 Reductions for road fuel gas cars.

- (1) In subsection (1) of section 168A of the Taxes Act 1988 (price of a car as regards year), for the words “sections 168B to 168G” there shall be substituted the words “sections 168AB to 168G”.
- (2) In subsection (11) of that section, after the words “section 168AA” there shall be inserted the words “ or 168AB(1) ”.
- (3) After section 168AA of that Act there shall be inserted the following section—

**“168AB Equipment etc. to enable car to run on road fuel gas.**

- (1) Equipment by means of which the car is capable of running on road fuel gas shall not be regarded as an accessory for the purposes of section 168A.
- (2) Where the car is manufactured in such way as to be capable of running on road fuel gas, the price of the car as regards each relevant year shall be treated as the price given by section 168A, reduced by so much of that price as it is reasonable to attribute to the car’s being manufactured in that way rather than in such a way as to be capable of running only on petrol.
- (3) In this section “road fuel gas” means any substance which is gaseous at a temperature of 15°C and under a pressure of 1013.25 millibars, and which is for use as fuel in road vehicles.”
- (4) In subsection (2) of section 168B of that Act (accessories not included in list price), for the words “section 168A” there shall be substituted the words “ sections 168A and 168AB ”.
- (5) In subsection (2) of section 168C of that Act (accessories available after car first made available), for the words “sections 168A and 168B” there shall be substituted the words “ sections 168A to 168B ”.
- (6) This section has effect for the year 1998-99 and subsequent years of assessment.

### 61 Travelling expenses.

- (1) For subsections (1) to (1B) of section 198 of the Taxes Act 1988 (relief for necessary expenses) substitute—
  - “(1) If the holder of an office or employment is obliged to incur and defray out of the emoluments of the office or employment—
    - (a) qualifying travelling expenses, or

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- (b) any amount (other than qualifying travelling expenses) expended wholly, exclusively and necessarily in the performance of the duties of the office or employment,

there may be deducted from the emoluments to be assessed the amount so incurred and defrayed.

(1A) “Qualifying travelling expenses” means—

- (a) amounts necessarily expended on travelling in the performance of the duties of the office or employment, or
- (b) other expenses of travelling which—
  - (i) are attributable to the necessary attendance at any place of the holder of the office or employment in the performance of the duties of the office or employment, and
  - (ii) are not expenses of ordinary commuting or private travel.

What is ordinary commuting or private travel for this purpose is defined in Schedule 12A.

(1B) Expenses of travel by the holder of an office or employment between two places at which he performs duties of different offices or employments under or with companies in the same group are treated as necessarily expended in the performance of the duties which he is to perform at his destination.

For this purpose companies are taken to be members of the same group if, and only if, one is a 51 per cent. subsidiary of the other or both are 51 per cent. subsidiaries of a third company.”.

- (2) In the Taxes Act 1988 insert as Schedule 12A the Schedule set out in Schedule 10 to this Act.
- (3) This section has effect for the year 1998-99 and subsequent years of assessment.

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