



# Finance Act 1999

## 1999 CHAPTER 16

### PART III

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

##### *Employee benefits etc.*

#### 45 Limited exemption for computer equipment

(1) After section 156 of the Taxes Act 1988 there shall be inserted the following section—

##### **“156A Limited exemption for computer equipment**

- (1) This section applies to a benefit consisting in the provision of computer equipment if, in the case of a person (“the employee”) who is in employment to which this Chapter applies—
  - (a) that equipment is provided by being made available to the employee or to a member of his family or household;
  - (b) it is so made available without any transfer of property in the equipment to the employee or to a member of his family or household; and
  - (c) it is so made available in a case in which the arrangements for providing employees of the employer with the benefit of computer equipment comply with subsection (2) below.
- (2) The arrangements for providing the employees of the employer with the benefit of computer equipment comply with this subsection unless—
  - (a) the only arrangements for making computer equipment available to such employees, or to members of their families or households, are arrangements that are confined to cases where the employee in question is a director of a company; or
  - (b) the arrangements (taking them all together) for making computer equipment available to employees of the employer, or to members

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*Status: This is the original version (as it was originally enacted).*

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of their families or households, are such that it is made available on terms that are more favourable in some or all of the cases where the employee in question is a director of a company than in one or more cases where he is not.

- (3) Section 154 applies for any year of assessment to—
- (a) the benefits to which this section applies that are provided in that year and consist in the making available to the employee of any equipment, and
  - (b) the benefits to which this section applies that are provided in that year and consist in the making available to members of his family or household of any equipment,
- to the extent only that the amount which (disregarding this section) would be taken to be the aggregate cash equivalent of the benefits falling within paragraphs (a) and (b) above exceeds £500.
- (4) For the purposes of this section “computer equipment” includes printers, scanners, modems, discs and other peripheral devices designed to be used by being connected to or inserted in a computer.
- (5) In this section references to making computer equipment available—
- (a) include references to the provision, together with any computer equipment made available, of a right to use computer software; but
  - (b) do not include references to the provision of a benefit consisting in access to, or the use of, any public telecommunication system (within the meaning of the Telecommunications Act 1984).”
- (2) In section 154(2) of that Act, for “and 155A” there shall be substituted “, 155A and 156A”.
- (3) This section applies for the year 1999-00 and subsequent years of assessment.