

SCHEDULES

SCHEDULE 11

Section 59.

CARS AVAILABLE FOR PRIVATE USE

- 1 (1) Schedule 6 to the Taxes Act 1988 (taxation of directors and others in respect of cars) is amended as follows.
- (2) For paragraphs 1 to 5 (which make provision for determining the cash equivalent of the benefit) substitute—

“Cash equivalent

- 1 (1) The cash equivalent of the benefit is the appropriate percentage for the year of the price of the car as regards the year.
- (2) This is subject to paragraphs 6 and 7 below (reductions for periods when car unavailable and payments for use of car).”

The appropriate percentage

- 2 The appropriate percentage for the year is determined in accordance with paragraphs 3 to 5G below.

Car with CO₂ emissions figure

- 3 (1) This paragraph applies where—
- (a) the car—
- (i) is first registered on or after 1st January 1998 but before 1st October 1999, and
 - (ii) when so registered conformed to a vehicle type with an EC type-approval certificate, or had a UK approval certificate, that specifies a CO₂ emissions figure in terms of grams per kilometre driven, or
- (b) the car—
- (i) is first registered on or after 1st October 1999, and
 - (ii) is so registered on the basis of an EC certificate of conformity or UK approval certificate that specifies a CO₂ emissions figures in terms of grams per kilometre driven.
- (2) In this paragraph references to “the applicable CO₂ emissions figure” are—
- (a) if the car is within sub-paragraph (1)(a) above, to the figure mentioned in paragraph (ii) of that sub-paragraph, and
- (b) if the car is within sub-paragraph (1)(b) above—
- (i) where the EC certificate of conformity or UK approval certificate specifies only one CO₂ emissions figure, that figure, and

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- (ii) where it specifies more than one, the figure specified as the CO₂ emissions (combined) figure.

This is subject to paragraph 5 (bi-fuel cars) and paragraph 5A (disabled drivers).

- (3) Where the applicable CO₂ emissions figure does not exceed the lower threshold for the year the appropriate percentage for the year is 15% (“the basic percentage”).
- (4) Where the applicable CO₂ emissions figure exceeds the lower threshold for the year, the appropriate percentage for the year is whichever is the smaller of—
- (a) the basic percentage increased by 1% for each 5 grams per kilometre by which the applicable CO₂ emissions figure exceeds the lower threshold for the year, and
 - (b) 35%.
- (5) This paragraph is subject to paragraph 5D (diesel car supplement) and any regulations under paragraph 5E (power to provide for discounts).

The lower threshold

- 4 (1) For the purposes of paragraph 3 above the lower threshold is ascertained from the following Table—

TABLE

<i>Year of assessment</i>	<i>Lower threshold (in g/km)</i>
2002-03	165
2003-04	155
2004-05 and subsequent years of assessment	145

- (2) The Treasury may by order provide for a lower threshold different from that provided for in the Table in sub-paragraph (1) above to apply for years of assessment beginning on or after 6th April 2005 or such later date as may be specified in the order.
- (3) For the purposes of paragraph 3 above the applicable CO₂ emissions figure (if it is not a multiple of five) is rounded down to the nearest multiple of five.

Bi-fuel cars

- 5 Where the car—
- (a) is first registered on or after 1st January 2000, and
 - (b) is so registered on the basis of an EC certificate of conformity, or UK approval certificate, that specifies separate CO₂ emissions figures in terms of grams per kilometre driven for different fuels,
- then, for the purposes of paragraph 3 above, “the applicable CO₂ emissions figure” is the lowest figure specified or, if there is more than one figure specified in relation to each fuel, the lowest CO₂ emissions (combined) figure specified.

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Automatic cars made available to disabled drivers

- 5A (1) Sub-paragraph (2) below applies where—
- (a) paragraph 3 above (car with CO₂ emissions figure) applies to the car,
 - (b) the car has automatic transmission,
 - (c) at any time in the year when the car is available to the employee, he holds a disabled person's badge, and
 - (d) by reason of his disability he must, if he wants to drive a car, drive a car that has automatic transmission.

For this purpose the car is not at any time available to the employee by reason only of its being made available to a member of his family or household.

- (2) If the applicable CO₂ figure for the car (“the relevant car”) is more than it would have been if the car had been an equivalent manual car, paragraph 3 above shall have effect as if the applicable CO₂ emissions figure in relation to the relevant car were the same as that in relation to an equivalent manual car.
- (3) For this purpose “an equivalent manual car” means a car that—
- (a) is first registered at or about the same time as the relevant car, and
 - (b) does not have automatic transmission, but otherwise is the closest variant available of the make and model of the relevant car.
- (4) For the purposes of this paragraph a car has automatic transmission if—
- (a) the driver of the car is not provided with any means whereby he may vary the gear ratio between the engine and the road wheels independently of the accelerator and the brakes, or
 - (b) he is provided with such means, but they do not include a clutch pedal or lever that he may operate manually.
- (5) In this paragraph—
- “the applicable CO₂ emissions figure” has the same meaning as in paragraph 3 above; and
 - “disabled person's badge” has the meaning given in section 168AA(3).

“EC certificate of conformity”, “EC type-approval certificate” and “UK approval certificate”

- 5B In this Schedule—
- “EC certificate of conformity” means a certificate of conformity issued by a manufacturer under any provision of the law of a Member State implementing Article 6 of Council Directive [70/156/EEC](#), as amended;
 - “EC type-approval certificate” means a type-approval certificate issued under any provision of the law of a Member State implementing Council Directive [70/156/EEC](#), as amended; and
 - “UK approval certificate” means a certificate issued under—
 - (a) section 58(1) or (4) of the Road Traffic Act 1988, or
 - (b) Article 31A(4) or (5) of the Road Traffic (Northern Ireland) Order 1981.

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Car with no CO₂ emissions figure

- 5C (1) This paragraph applies where—
- (a) the car is first registered on or after 1st January 1998, and
 - (b) paragraph 3 above does not apply.
- (2) If the car has an internal combustion engine with one or more reciprocating pistons, the appropriate percentage for the year is ascertained from the following Table—

TABLE

<i>Cylinder capacity of car in cubic centimetres</i>	<i>Appropriate percentage</i>
1,400 or less	15%
More than 1,400 but not more than 2,000	25%
More than 2,000	35%

For this purpose a car's cylinder capacity is the capacity of its engine calculated as for the purposes of the Vehicle Excise and Registration Act 1994.

- (3) If sub-paragraph (2) above does not apply the appropriate percentage for the year is—
- (a) 15%, if the car is an electrically propelled vehicle, and
 - (b) 35%, in any other case.
- (4) This paragraph is subject to paragraph 5D (diesel car supplement) and any regulations under paragraph 5E (power to provide for discounts) below.

Diesel car supplement

- 5D (1) This paragraph applies where the car—
- (a) is propelled solely by diesel, and
 - (b) is first registered on or after 1st January 1998.
- (2) The appropriate percentage for the year is whichever is the smaller of—
- (a) the percentage which is 3% greater than the appropriate percentage for the year ascertained in accordance with paragraphs 2 to 5C above, and
 - (b) 35%.
- (3) In sub-paragraph (1) “diesel” means any diesel fuel within the definition in Article 2 of Directive [98/70/EC](#) of the European Parliament and of the Council.
- (4) This paragraph is subject to any regulations under paragraph 5E below (power to provide for discounts).

Discounts

- 5E The Treasury may by regulations provide for the value of the appropriate percentage as determined in accordance with paragraphs 2 to 5D above to be reduced by such amount as may be prescribed in the regulations, in such circumstances and subject to such conditions as may be so prescribed.

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Car registered before 1st January 1998

- 5F (1) This paragraph applies where the car was first registered before 1st January 1998.
- (2) Where the car has an internal combustion engine with one or more reciprocating pistons, the appropriate percentage for the year is ascertained from the following Table—

TABLE

<i>Cylinder capacity of car in cubic centimetres</i>	<i>Appropriate percentage</i>
1,400 or less	15%
More than 1,400 but not more than 2,000	22%
More than 2,000	32%

For this purpose a car's cylinder capacity is the capacity of its engine calculated as for the purposes of the Vehicle Excise and Registration Act 1994.

- (3) Where sub-paragraph (2) above does not apply, the appropriate percentage for the year is—
- (a) 15%, if the car is an electrically propelled vehicle, and
 - (b) 32%, in any other case.

Electrically propelled vehicle

- 5G For the purposes of this Schedule, a vehicle is not an electrically propelled vehicle unless—

- (a) it is propelled solely by electrical power, and
- (b) that power is derived from—
 - (i) a source external to the vehicle, or
 - (ii) an electrical storage battery which is not connected to any source of power when the vehicle is in motion.

- (3) In paragraph 6 (reduction for periods when car is unavailable) for the words from “(“the full”” to the end substitute—

“multiplied by the fraction—

$$\frac{A}{B}$$

where—

A is the number of days in the year on which the car is available; and
B is the number of days in the year.”.

- (4) At the end of paragraph 10 (general interpretation) add—

“This is subject to paragraph 5A(1) above.”.

- 2 In section 168AB of the Taxes Act 1988 (equipment etc. to enable car to run on road fuel gas), after subsection (3) insert—

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“(4) This section does not apply in relation to cars to which paragraph 5 of Schedule 6 to this Act applies (bi-fuel cars taxed by reference to CO₂ emissions figure).”.