

*Status: Point in time view as at 06/04/2005.*

*Changes to legislation: There are currently no known outstanding effects for the Finance Act 2002, Paragraph 3. (See end of Document for details)*

## SCHEDULES

### SCHEDULE 19

#### CAPITAL ALLOWANCES: CARS WITH LOW CARBON DIOXIDE EMISSIONS

*First-year qualifying expenditure: car with low carbon dioxide emissions*

3 After section 45C insert—

#### **“45D Expenditure on cars with low carbon dioxide emissions**

- (1) Expenditure is first-year qualifying expenditure if—
  - (a) it is incurred in the period beginning with 17th April 2002 and ending with 31st March 2008,
  - (b) it is expenditure on a car which is first registered on or after 17th April 2002 and which is unused and not second-hand,
  - (c) the car—
    - (i) is an electrically-propelled car, or
    - (ii) is a car with low CO<sub>2</sub> emissions, and
  - (d) the expenditure is not excluded by section 46 (general exclusions).
- (2) For the purposes of this section a car with low CO<sub>2</sub> emissions is a car which satisfies the conditions in subsections (3) and (4).
- (3) The first condition is that, when the car is first registered, it is so registered on the basis of an EC certificate of conformity, or a UK approval certificate, that specifies—
  - (a) in the case of a car other than a bi-fuel car, a CO<sub>2</sub> emissions figure in terms of grams per kilometre driven, or
  - (b) in the case of a bi-fuel car, separate CO<sub>2</sub> emissions figures in terms of grams per kilometre driven for different fuels.
- (4) The second condition is that the applicable CO<sub>2</sub> emissions figure in the case of the car does not exceed 120 grams per kilometre driven.
- (5) For the purposes of subsection (4) the applicable CO<sub>2</sub> emissions figure in the case of a car other than a bi-fuel car is—
  - (a) where the EC certificate of conformity or UK approval certificate specifies only one CO<sub>2</sub> emissions figure, that figure, and
  - (b) where the certificate specifies more than one CO<sub>2</sub> emissions figure, the figure specified as the CO<sub>2</sub> emissions (combined) figure.
- (6) For the purposes of subsection (4) the applicable CO<sub>2</sub> emissions figure in the case of a bi-fuel car is—

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- (a) where the EC certificate of conformity or UK approval certificate specifies more than one CO<sub>2</sub> emissions figure in relation to each fuel, the lowest CO<sub>2</sub> emissions (combined) figure specified, and
  - (b) in any other case, the lowest CO<sub>2</sub> figure specified by the certificate.
- (7) The Treasury may by order amend the amount from time to time specified in subsection (4).
- (8) In this section any reference to a car—
- (a) includes a reference to a mechanically propelled road vehicle of a type commonly used as a hackney carriage, but
  - (b) does not include a reference to a motorcycle.
- (9) For the purposes of this section, a car is an electrically-propelled car only if—
- (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.
- (10) In this section—
- “bi-fuel car” means a car which is capable of being propelled by—
    - (a) petrol and road fuel gas, or
    - (b) diesel and road fuel gas;
  - “car” has the meaning given by section 81 (extended meaning of “car”);
  - “diesel” means any diesel fuel within the definition in Article 2 of Directive [98/70/EC](#) of the European Parliament and of the Council;
  - “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;
  - “petrol” has the meaning given by Article 2 of Directive [98/70/EC](#) of the European Parliament and of the Council;
  - “road fuel gas” has the same meaning as in section 168AB of ICTA;
  - “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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