SCHEDULES

SCHEDULE 28   Section 53

TAXABLE BENEFITS: CARS

Introduction

1   Chapter 6 of Part 3 of ITEPA 2003 (taxable benefits: cars) is amended as follows.

Abolition of "price cap"

2   (1) Section 121(1) (method of calculating cash equivalent of benefit of car) is amended as follows.

(2) In step 3, insert at the end—

"The resulting amount is the interim sum."

(3) Omit step 4 (interim sum to be £80,000 if step 3 amount exceeds £80,000).

3   In section 145(5) (modifications of provisions where car temporarily replaced), for "step 4" substitute "step 3".

4   In section 147(1) and (2) (classic cars), for "amount carried forward from" substitute "interim sum calculated under".

5   In section 170(1) (Treasury orders increasing various amounts), omit paragraph (a) (amount in step 4 of section 121(1)).

Cars with CO$_2$ emissions figures: the appropriate percentage

6   In section 139(4) (car with a CO$_2$ emissions figure: the appropriate percentage), for the table substitute—

"TABLE

Tax year	*Lower threshold (in g/km)*
2009-10	135
2010-11	130
2011-12 and subsequent tax years	125".

Electrically propelled cars: the appropriate percentage

7   In section 140(3)(a) (appropriate percentage for electrically propelled cars), for "15%" substitute "9%".

8   In section 142 (special provision for cars registered before 1998)—

    (a)   in subsection (3) (cars without internal combustion engine with reciprocating pistons), for the words after "year is" substitute "32%", and

    (b)   omit subsection (4) (definition of electrically propelled car).

Consequential repeal

9   In consequence of the amendment made by paragraph 6, in FA 2008, omit section 47(1).

Commencement

10   (1) The amendments made by paragraphs 6 and 9 have effect for the tax year 2009-10 and subsequent tax years.

       (2) The other amendments made by this Schedule have effect for the tax year 2011-12 and subsequent tax years.