

Amendments 6 and 7 to Clause 9: Benefits in kind: diesel cars

Summary

1. This amendment makes technical changes to ensure clause 9 operates as intended. These changes have effect for the tax year 2018-19 and subsequent tax years.

Details of the amendments

2. Amendment 6 amends section 141(1A) of the Income Tax (Earnings and Pensions) Act 2003 (“ITEPA”) as introduced by clause 9. The amendment ensures that diesel cars that meet the Euro 6d emissions standard will be exempt from the diesel supplement when calculating the income tax due in respect of a company car.
3. Amendment 7 amends section 141(2A) of ITEPA as introduced by clause 9. This creates a definition for a diesel car which meets the Euro 6d emissions standard.

Background note

4. Clause 9 increases the diesel supplement from 3 per cent to 4 per cent. This will apply, as now, to those cars propelled solely by diesel and registered from 1 January 1998 to 1 September 2017. It will also apply to diesel cars registered from 1 September 2017 that either do not meet or are not certified against the second stage of standards for nitrogen oxide (NOx) emissions under the “real driving emissions” (RDE) regime (known as “Euro 6d”), or which do not have a certified NOx emissions figure under RDE conditions. The supplement will not apply to diesel cars that are type approved to Euro 6d.
5. This amendment ensures that the definition of a car that meets the Euro 6d emissions standard is clear.