1 PAYE regulations: benefits in kind

(1) In section 684 of ITEPA 2003 (PAYE regulations)—

(a) in subsection (2), in the list of provisions, in item 1ZA(a), after "authorising" insert "or requiring";

(b) in subsection (3)(b), after "authorised" insert "or required".

(2) PAYE regulations may include provision modifying the application of Schedule 24 to FA 2007 (penalties for errors) so that a person is not liable to a penalty under paragraph 1 of that Schedule in relation to an inaccuracy that—

(a) is contained in a return for the purposes of PAYE regulations that is given to His Majesty's Revenue and Customs by the person,

(b) relates to deductions or repayments of income tax that are authorised or required to be made in relation to the tax year 2027-28 by PAYE regulations under item 1ZA in the list of provisions in section 684(2) of ITEPA 2003 (PAYE regulations: benefits), and

(c) is careless.

(3) In subsection (2)(c) "careless" has the meaning given by paragraph 3 of Schedule 24 to FA 2007 (degrees of culpability), but disregarding—

(a) sub-paragraph (2) of that paragraph (inaccuracy to be treated as careless where HMRC not informed after it is discovered), and

(b) paragraph 47 of Schedule 19 to FA 2016 (certain inaccuracies relating to persistently uncooperative large businesses to be treated as careless).

2 Taxable benefits: classic cars

(1) In section 147 of ITEPA 2003 (taxable benefits: classic cars), in subsection (3), for the words from "on—" to the end substitute "on the first day in that year on which the car is available to the employee".

(2) The amendment made by subsection (1) has effect for the tax year 2027-28 and subsequent tax years.