



DEPARTMENT OF HEALTH AND SOCIAL SECURITY
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To: General Managers/Administrators of:)
Regional Health Authorities)
District Health Authorities)
Special Health Authorities) For action
Family Practitioner Committees)

Your Reference:

Our Reference: EL(88)P/59
FPCL 58/88

Date: 16 May 1988

Secretaries of:)
Prescription Pricing Authority)
The Central Blood Laboratories)
Authority) For action
The Public Health Laboratory)
Service Board)

The Clerk of:)
Dental Estimates Board)
The Chairman of:) For information
Community Health Councils)

Warrington Health Authority
16 MAY 1988
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Dear Sir or Madam

TAXATION OF STAFF BENEFITS AND ALLOWANCES
TAXABLE BENEFIT SCALE CHARGES FOR PRIVATE USE OF CROWN CARS

1. This circular advises health authorities of changes to Inland Revenue's assessment of the taxable benefit from the private use of a crown car following the recent Budget. It also includes information relating to special conditions in respect of mileage under 2,500 miles per annum and over 18,000 miles per annum omitted from HC(88)12 (HC(FP)(88)9).

2. Following the Budget changes, the details given in HC(88)12 (HC(FP)(88)9), paragraph 2 relating to 1988/89 will now be as follows:

	1400cc or less	1401- 2000cc	over 2000cc
a.	£1050 (525)	£1400 (700)	£2200 (1100)
b.	£ 700 (350)	£ 940 (470)	£1450 (725)

1987/88 figures are shown in brackets.

3. (i) Health Authorities should also note that where the annual official mileage travelled for employees who contract for private use of a Crown car is less than 2,500, the taxable benefit will be 1.5 times the appropriate scale charge, and for official mileages in excess of 18,000, the taxable benefit will be 0.5 times the scale charge.

(ii) Scale charges for official mileage less than 2,500 miles per annum for 1988/89 (with the corrected figures for 1987/88 shown in brackets) will therefore be as follows:

	1400cc or less	1401- 2000cc	over 2000cc
(a)	£1575 (787)	£2100 (1050)	£3300 (1650)
(b)	£1050 (525)	£1410 (705)	£2175 (1087)

(iii) Scale charges for official mileage in excess of 18,000 miles per annum will therefore be as follows:

	1400cc or less	1401- 2000cc	over 2000cc
(a)	£525 (262)	£700 (350)	£1100 (550)
(b)	£350 (175)	£470 (235)	£725 (362)

(iv) Figures (a) represent a vehicle under 4 years old and figures (b) are for vehicles over 4 years old.

4. Any enquiries on this Circular should be addressed to Mrs Jane Ellis, Health Authorities Personnel 1(B), Room 80, Hannibal House, Telephone 01-703 6380 Ext 3632.

5. This letter may be cancelled on 1 April 1991.

Yours faithfully

Rain Orton

R Orton
Assistant Secretary