JONES
Building Group

A level above Since 1979

VEHICLE POLICY

The capital allowance rules for cars purchased by companies and businesses changed from 1st April 2009 for corporation tax purposes and from 6th April 2009 for incomes tax purposes.

The special rules that restrict allowances for cars costing more than £12,000 have been abolished. All expenditure on cars incurred on/after 6th April 2012 wholly for business use will now be allocated to one of the two general plan and machinery pools:

- The general pool (18% allowance) for cars with CO^2 emissions of up to and including 160g/km;
- The special rate (8%) pool for cars with emissions above 160g/km

For cars purchased on or after 6th April 2015:

- The general pool (18% allowance) for cars with CO^2 emissions of up to and including 130g/km
- The special rate (8%) pool for cars with emissions above 130g/km

Expenditure on environmentally friendly cars with CO^2 emissions of less than 75g/km receives 100% allowances, therefore writing off the whole cost of the vehicle in year 1.

Action:

- As a result, we will now be looking to lease lower emission cars vehicles with a limit of 130g/km.
- We will, where possible, look to Go Green and purchase low emission cars below 110g/km instead.
- Older company vehicles deemed to be high emissions will be phased out within the next three years. We have also commenced a rolling programme for 80% for our fleet to be renewed over the next 4 years.

This statement is fully operated by the Managing Director

Signed: Mark Porter

Date: June 2017