

Statutory Document No. 2023/0004

*Income Tax Act 1970*

## **INCOME TAX (BENEFITS IN KIND) (EXEMPTIONS) (AMENDMENT) ORDER 2023**

*Approved by Tynwald: 21 February 2023**Coming into Operation in accordance with article 2*

The Treasury makes the following Order under section 2G(4) of the Income Tax Act 1970.

### **1 Title**

This Order is the Income Tax (Benefits in Kind) (Exemptions) (Amendment) Order 2023.

### **2 Commencement**

If approved by Tynwald<sup>1</sup>, this Order comes into operation on 6 April 2023 and shall have effect in respect of the income tax year commencing 6 April 2023 and all subsequent income tax years.

### **3 Amendment of the Income Tax (Benefits in Kind) (Exemptions) Order 2007**

(1) The Income Tax (Benefits in Kind) (Exemptions) Order 2007<sup>2</sup> is amended as follows.

(2) In article 3 (benefits in kind: exemptions) —

(a) for paragraph (1)(n)<sup>3</sup>, substitute —

subject to paragraph (3), to the first £600 of the aggregate cash equivalent of any benefits provided to an employee by any employee's employer in any year, being benefits which are not wholly exempt from section 2G of the Income Tax Act 1970 by virtue of any other provision of this paragraph or by the Income Tax (Benefits in Kind) (Exemptions) Order 2020<sup>4</sup>; and

(b) after paragraph (2), insert —

<sup>1</sup> Tynwald approval is required by section 2G(5) of the Income Tax Act 1970.

<sup>2</sup> SD 471/07 (as amended).

<sup>3</sup> Article 3(1)(n) was previously amended by SD 2017/0373.

<sup>4</sup> SD 2020/0429.

(3) The exemption in paragraph (1)(n) does not apply where the benefit provided is in respect of accommodation. **22**.

#### 4 Amendment of the Income Tax (Benefits in Kind) (Exemptions) Order 2017

(1) The Income Tax (Benefits in Kind) (Exemptions) Order 2017<sup>5</sup> is amended as follows.

(2) In article 4 (benefits in kind: exemptions), for paragraphs (2A) and (2B) substitute —

**22**(2A) Where —

- (a) the total cost of an electrically assisted pedal bicycle and bicycle safety equipment exceeds the maximum value in paragraph (2)(c);
- (b) in the year in which the bicycle is purchased, the aggregate cash equivalent of other benefits, to which article 3(1)(n) of the 2007 Order applies, provided to the employee by his or her employer is below the amount set out in that article 3(1)(n); and
- (c) the total cost of the bicycle and any bicycle safety equipment purchased does not exceed the sum of the maximum value in paragraph (2)(c) and Amount A,

then the maximum value specified in paragraph (2)(c) of the benefit to which section 2G of the Income Tax Act 1970 will not apply, can be increased by Amount A.

(2B) In paragraph (2A), “Amount A” is any unused portion of the amount specified in article 3(1)(n) of the 2007 Order in the year in which the bicycle is purchased. **22**.

MADE 5<sup>TH</sup> JANUARY 2023

DR. ALEX ALLINSON MHK  
*Minister for the Treasury*

<sup>5</sup> SD 2017/0022 (as amended)

***EXPLANATORY NOTE******(This note is not part of the Order)***

This Order amends the Income Tax (Benefits in Kind) (Exemptions) Order 2007 (the “2007 Order”) to provide that the first £600 of any general benefits in kind provided to an employee by an employer in any year are exempt from income tax. This amendment does not apply to accommodation.

This Order also amends the Income Tax (Benefits in Kind) (Exemptions) Order 2017 (the “2017 Order”) to provide that, in the case of an electrically assisted bicycle, the maximum value of the benefit in kind specified in article 4(2)(c) of the 2017 Order can be increased by the amount of any unused portion of the amount specified in article 3(1)(n) of the 2007 Order in the year in which the bicycle is bought, provided that the total cost of the bike and the safety equipment does not exceed that increased amount.