

Statutory Document No. 2017/0022

*Income Tax Act 1970*

INCOME TAX (BENEFITS IN KIND) (EXEMPTIONS) ORDER 2017

Approved by Tynwald: 21 February 2017
Coming into Operation: 6 April 2017

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) Order 2017.

2 Commencement

If approved by Tynwald¹, this Order comes into operation on 6 April 2017 and shall have effect in respect of the income tax year commencing 6 April 2017 and all subsequent years.

3 Interpretation

For the purposes of this Order –

“**bicycle**” means a bicycle that can only be propelled by pedals and does not include an electrically assisted bicycle that may use an integrated electric motor to help with propulsion;

“**bicycle safety equipment**” means equipment that may improve the safety of, or provide protection to, a cyclist whilst cycling and includes items such as a bicycle helmet, lights, and mirrors.

4 Benefits in kind: Exemptions

- (1) Subject to paragraph (2), section 2G of the Income Tax Act 1970 will not apply where the benefit consists of the provision for an employee (wholly and directly at the expense of the employee’s employer) of –
- (a) a bicycle; and
 - (b) bicycle safety equipment.

¹ Tynwald approval is required by section 2G(5) of the Income Tax Act 1970

- (2) For the purposes of this article –
- (a) the main use of a bicycle and any bicycle safety equipment provided under paragraph (1) will be travel by the employee between the employee’s home and place of work;
 - (b) the bicycle and any bicycle safety equipment provided will be purchased by the employer from a retail business in the Isle of Man; and
 - (c) the total cost of the bicycle and any bicycle safety equipment must not exceed £1,000 per employee within a relevant period.
- (3) For the purposes of paragraph (2)(c), “relevant period” means a period which consists of 3 consecutive tax years.

MADE 23 JANUARY 2017

A L CANNAN
Minister for the Treasury

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

This Order exempts from income tax the provision by an employer of a bicycle and of bicycle safety equipment, provided that the main use of the bicycle and the bicycle safety equipment is for an employee to travel between their home and place of work, the employer purchases the bicycle and equipment from a retailer in the Isle of Man and the cost to the employer of these purchases is no more than £1,000 per employee in any period of three consecutive tax years.