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HMRC internal manual

Corporate Intangibles Research and Development Manual

From: [HM Revenue & Customs](#)
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CIRD12620 - Core computational rules: deductible debits: general matters and adjustments for tax purposes: disallowance of expenditure: cars - restriction of hiring costs CTA09/PART8/S865 (3)(a)

Leases entered into on or after 1 April 2009

The rules in CTA09/S56 disallowing a proportion of the hire charges on cars not exempted from restriction (generally those with low carbon dioxide emissions but see BIM47725 for current limits) apply equally to debits that would otherwise be deductible under CTA09/PART8. The guidance in BIM47725 - BIM47745 should therefore be applied in identifying the proportion of the charges that do not give rise to a deductible debit within CTA09/PART8.

Leases entered into before 1 April 2009

The rules in CTA09/S56 (formerly ICTA88/S578A) disallowing a proportion of the hire charges on cars costing more than £12,000 apply equally to debits that would otherwise be deductible under CTA09/PART8. The guidance in BIM47715 and BIM47717 should therefore be applied in identifying the proportion of the charges that do not give rise to a deductible debit within Part 8.

Relevance

This rule may be in point where, for example, cars are hired for the use of company staff in a department responsible for its intangible assets and the hire charges therefore fall within [CIRD12250 \(https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird12250\)](https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird12250) (expenditure on the maintenance, enhancement etc of intangible fixed assets).

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