

Cars: provisions as to hire-purchase, etc. FA73 s28 378.—(1) In the case of a vehicle to which this Part applies, being a vehicle the retail price of which at the time of the contract in question exceeds the specified amount, subsections (2) to (4) shall apply.

(2) Where a person, having incurred capital expenditure on the provision of a vehicle to which this Part applies under a contract providing that such person shall or may become the owner of the vehicle on the performance of the contract, ceases to be entitled to the benefit of the contract without becoming the owner of the vehicle, that expenditure shall, in so far as it relates to the vehicle, be disregarded for the purposes of Chapter 2 of Part 9 and in determining what amount (if any) is allowable as mentioned in section 375.

(3) Where subsection (2) applies, all payments made under the contract shall be treated for tax purposes ) as expenditure incurred on the hiring of the vehicle otherwise than by means of hire-purchase.

(4) Where the person providing the vehicle takes it under a hire-purchase contract, then, in apportioning the payments under the contract between capital expenditure incurred on the provision of the vehicle and other expenditure, so much of those payments shall be treated as such capital expenditure as is equal to the price which would be chargeable, at the time the contract is entered into, to the person providing the vehicle if that person were acquiring it on a sale outright.