

*These notes refer to the Income Tax (Earnings and Pensions)
Act 2003 (c.1) which received Royal Assent on 6th March 2003*

INCOME TAX (EARNINGS AND PENSIONS) ACT 2003

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Example 3

£150(Pe) – £50(E) = £100

Chapter 10: Taxable benefits: residual liability to charge

Overview

Section 204: Cost of the benefit: basic rule

810. This section derives from section 156(2) of ICTA. The benefits within this Chapter can be provided in different ways. The “cost of the benefit” is the basic amount and this section sets out what that is.
811. The words “(including a proper proportion of any expense relating partly to provision of the benefit and partly to other matters)” provide for apportionment of the cost of the benefit in appropriate circumstances. A case before the Special Commissioners reported recently has made that possibility clear.