

INCOME TAX (EARNINGS AND PENSIONS) ACT 2003

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Example 3

$$£150(Pe) - £50(E) = £100$$

Part 4: Employment income: exemptions

Chapter 2: Exemptions: mileage allowances and passenger payments

Overview

Section 232: Giving effect to mileage allowance relief

943. This section deals with the mechanics of giving effect to mileage allowance relief. The main difference between it and the source legislation is the absence of any reference to the Cases of Schedule E. The consequences of this are most evident in *subsections (2) and (3)*. The section derives from section 197AG of ICTA.
944. *Subsection (1)* relates the deduction to a tax year.
945. *Subsection (2)* corresponds with the references to Cases I and II of Schedule E in section 197AG(2).
946. *Subsection (3)* corresponds with the references to Case III of Schedule E in section 197AG(3).
947. *Subsection (4)* contains some assumptions supplementary to the operation of subsection (3).
948. *Subsection (5)* gives an order of precedence as between deductions available under subsections (2) and (3).
949. *Subsection (6)* prevents a double deduction.
950. *Subsection (7)* defines two terms used in this section by reference to provisions in another Part of this Act.