

# 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 4: Exemptions: education and training**

#### **Overview**

#### **Section 252: Exception for non-deductible travel expenses**

- 1016. This section deals with travel and subsistence to which the exemption does not apply. It derives from section 200C of ICTA.
- 1017. *Subsection (1)* sets out the conditions to be satisfied if travel and subsistence are not to be excepted from the exemption. Travel must meet condition A or B; subsistence must meet condition B.
- 1018. The section dispenses with a requirement that the expenses are incurred wholly, exclusively and necessarily in undertaking the training. Instead, as a result of cross-reference to other provisions in this Part and in Part 5, it simply requires amounts to be necessarily expended on travelling or subsistence. This accords with Inland Revenue practice and aligns the rules relating to travel and subsistence expenses in this section with those in sections 310 and 311 in Chapter 10 of this Part (exemptions: termination of employment). See *Change 53* in Annex 1.
- 1019. *Subsections (2) and (3)* set out conditions A and B respectively.
- 1020. Travel and subsistence expenses meeting condition B include expenses that, on the assumptions in subsection (4), would be deductible under any provision of Part 5. Under ICTA, expenses within the exemption are restricted to expenses deductible only under selected sections of those rewritten in that Part. See *Change 54* in Annex 1.
- 1021. This section is listed in section 332 (meaning of “the deductibility provisions”). Various provisions in Part 5 then ensure that certain rules in Part 5 do not adversely restrict expenses, deductible under that Part, for the purposes of condition B.
- 1022. *Subsection (4)* sets out the assumptions to be made for the purposes of subsections (2) and (3).
- 1023. *Subsection (5)* provides definitions for the purposes of the section.