

*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

Ne = £5,000; Da = 183; De = 183; Smg = 0

Part 5: Employment income: deductions allowed from earnings

Example

Chapter 3: Deductions from benefits code earnings

Overview

Section 362: Deductions where non-cash voucher provided

1577. This section applies where goods or services are obtained by an employee in exchange for a non-cash voucher for which an amount is treated as earnings by virtue of section 87(1). It derives from section 141(3) of ICTA. If, had the goods or services been provided by the employee, a deduction would be allowable by the provisions of Chapter 2 or 5 of this Part a deduction is allowable by virtue of this section.
1578. *Subsection (1)* sets out the conditions which must apply if a deduction from earnings is to be allowed.
1579. *Subsection (2)* quantifies the amount of the deduction. A limit is placed on the amount of the deduction allowed rather than providing the deduction is only to be set against the amount treated as earnings.