

*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**

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## **EXPLANATORY NOTES**

### **COMMENTARY ON SECTIONS**

#### ***Example 3***

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

#### ***Section 324: Small gifts from third parties***

1366. This section derives from ESC A70A. It provides an exemption from income tax in respect of certain small gifts from third parties. Legislating the concession is a minor change to the law. See *Change 59* in Annex 1.
1367. The conditions for the exemption are in similar terms to the entertainment exemption in section 265. The reasons for it are the same, namely to remove the compliance problems if the conditions in *subsections (2) to (6)* are met. Those conditions include a limit on value of the gifts which may be varied by the Treasury power in section 716.
1368. The concession also extends to non-cash vouchers and credit-tokens. That aspect is dealt with in section 270.