



Income Tax (Earnings and Pensions) Act 2003

2003 CHAPTER 1

PART 3

EMPLOYMENT INCOME: EARNINGS AND BENEFITS ETC. TREATED AS EARNINGS

CHAPTER 5

TAXABLE BENEFITS: LIVING ACCOMMODATION

Other tax implications

109 Priority of this Chapter over Chapter 1 of this Part

- (1) This section applies if—
 - (a) under this Chapter [^{F1}an amount] is to be treated as earnings from an employee's employment for a tax year, and
 - (b) under Chapter 1 of this Part an amount would, apart from this section, constitute earnings from the employment for the year in respect of the provision of the accommodation.
- (2) The full amount [^{F2}mentioned in subsection (1)(a)] is to be treated as earnings from the employment for that year under this Chapter.
- (3) The amount mentioned in subsection (1)(b) is to constitute earnings from the employment for the year under Chapter 1 of this Part only to the extent that it exceeds the amount mentioned in subsection (2).
- [^{F3}(4) In a case where the [^{F4}amount mentioned in subsection (1)(a)] is nil—
 - (a) subsections (2) and (3) do not apply, and

Changes to legislation: Income Tax (Earnings and Pensions) Act 2003, Cross Heading: Other tax implications is up to date with all changes known to be in force on or before 22 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

- (b) the full amount mentioned in subsection (1)(b) constitutes earnings from the employment for the year under Chapter 1.]

Textual Amendments

- F1** Words in s. 109(1)(a) substituted (with effect in accordance with Sch. 2 para. 62 of the amending Act) by [Finance Act 2017 \(c. 10\)](#), **Sch. 2 para. 18(2)**
- F2** Words in s. 109(2) substituted (with effect in accordance with Sch. 2 para. 62 of the amending Act) by [Finance Act 2017 \(c. 10\)](#), **Sch. 2 para. 18(3)**
- F3** S. 109(4) inserted (with effect in accordance with s. 7(9) of the amending Act) by [Finance Act 2016 \(c. 24\)](#), **s. 7(3)**
- F4** Words in s. 109(4) substituted (with effect in accordance with Sch. 2 para. 62 of the amending Act) by [Finance Act 2017 \(c. 10\)](#), **Sch. 2 para. 18(4)**

Changes to legislation:

Income Tax (Earnings and Pensions) Act 2003, Cross Heading: Other tax implications is up to date with all changes known to be in force on or before 22 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations.

[View outstanding changes](#)

Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 452(2)(aa) inserted by [2013 c. 29 Sch. 23 para. 11](#)
- s. 707A inserted by [2024 c. 3 s. 36\(4\)](#)