



# Income Tax (Earnings and Pensions) Act 2003

## 2003 CHAPTER 1

### PART 3

EMPLOYMENT INCOME: EARNINGS AND BENEFITS ETC. TREATED AS EARNINGS

### CHAPTER 6

TAXABLE BENEFITS: CARS, VANS AND RELATED BENEFITS

*Cars: the price of a car*

#### 122 The price of the car

[<sup>F1</sup>(1) For the purposes of this Chapter the price of a car means—

This is subject to section 124A (automatic car for a disabled employee).

- (a) its list price, if it has one, or
- (b) its notional price, if it has no list price.]

[<sup>F2</sup>(2) This is subject to section 124A (automatic car for a disabled employee).]

#### Textual Amendments

**F1** S. 122 renumbered as s. 122(1) (with effect in accordance with s. 54(6) of the amending Act) by [Finance Act 2009 \(c. 10\), s. 54\(4\)](#)

**F2** S. 122(2) inserted (with effect in accordance with s. 54(6) of the amending Act) by [Finance Act 2009 \(c. 10\), s. 54\(4\)](#)

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*Changes to legislation: There are currently no known outstanding effects for the Income Tax (Earnings and Pensions) Act 2003, Cross Heading: Cars: the price of a car. (See end of Document for details)*

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### 123 The list price of a car

- (1) In this Chapter a car’s “list price” means the price published by the car’s manufacturer, importer or distributor (as the case may be) as the inclusive price appropriate for a car of that kind if sold—
- (a) in the United Kingdom,
  - (b) singly,
  - (c) in a retail sale,
  - (d) in the open market, and
  - (e) on the day immediately before the date of the car’s first registration.
- (2) The “inclusive price” means the price inclusive of—
- (a) any charge for delivery by the manufacturer, importer or distributor to the seller’s place of business, and
  - (b) any relevant taxes (see section 171(1)).

**Modifications etc. (not altering text)**

- C1** S. 123 applied (with modifications) by 1994 c. 22, s. 1GF(3)(4) (as inserted (18.11.2015) by [Finance \(No. 2\) Act 2015 \(c. 33\), s. 46\(2\)\(c\)](#))

### 124 The notional price of a car with no list price

- (1) In this Chapter a car’s “notional price” means the price which might reasonably have been expected to be its list price if its manufacturer, importer or distributor (as the case may be) had published a price as the inclusive price appropriate for a sale of a car of the same kind sold—
- (a) in the United Kingdom,
  - (b) singly,
  - (c) in a retail sale,
  - (d) in the open market,
  - (e) on the day immediately before the date of the car’s first registration, and
  - (f) with accessories equivalent to the qualifying accessories (see section 125) available with the car at the time when it was first made available to the employee.
- (2) In this section “inclusive price” has the same meaning as in section 123.

**Modifications etc. (not altering text)**

- C2** S. 124 applied (with modifications) by 1994 c. 22, s. 1GF(3)(4) (as inserted (18.11.2015) by [Finance \(No. 2\) Act 2015 \(c. 33\), s. 46\(2\)\(c\)](#))

### [<sup>F3</sup>124A Automatic car for a disabled employee

- (1) This section applies where—
- (a) a car has automatic transmission (“the automatic car”),
  - (b) at any time in the year when the automatic car is available to the employee (“E”), E holds a disabled person's badge, and

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**Changes to legislation:** There are currently no known outstanding effects for the Income Tax (Earnings and Pensions) Act 2003, Cross Heading: Cars: the price of a car. (See end of Document for details)

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- (c) by reason of E's disability, E must, in the event of wanting to drive a car, drive a car which has automatic transmission.
- (2) If, under section 122 to 124, the price of the automatic car is more than it would have been if the automatic car had been an equivalent manual car, the price of the automatic car is to be the price of an equivalent manual car.
- (3) In subsection (2) “an equivalent manual car” means a car which—
- (a) is first registered at or about the same time as the automatic car, and
  - (b) does not have automatic transmission, but otherwise is the closest variant available of the make and model of the automatic car.
- (4) For the purposes of this section a car has automatic transmission if—
- (a) the driver of the car is not provided with any means by which the driver may vary the gear ratio between the engine and the road wheels independently of the accelerator and the brakes, or
  - (b) the driver is provided with such means, but they do not include—
    - (i) a clutch pedal, or
    - (ii) a lever which the driver may operate manually.
- (5) For the purposes of this section a car is available to an employee at a particular time if it is then made available, by reason of the employment and without any transfer of the property in it, to the employee.]

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#### Textual Amendments

- F3** S. 124A inserted (with effect in accordance with s. 54(6) of the amending Act) by [Finance Act 2009](#) (c. 10), s. 54(5)

**Changes to legislation:**

There are currently no known outstanding effects for the Income Tax (Earnings and Pensions) Act 2003, Cross Heading: Cars: the price of a car.