



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

General

114 Cars, vans and related benefits

- (1) This Chapter applies to a car or a van in relation to a particular tax year if in that year the car or van—
 - (a) is made available (without any transfer of the property in it) to an employee or a member of the employee's family or household,
 - (b) is so made available by reason of the employment (see section 117), and
 - (c) is available for the employee's or member's private use (see section 118).
- (2) Where this Chapter applies to a car or van—
 - (a) sections 120 to 148 provide for the cash equivalent of the benefit of the car to be treated as earnings,
 - (b) sections 149 to 153 provide for the cash equivalent of the benefit of any fuel provided for the car to be treated as earnings, and
 - (c) sections 154 to 166 provide for the cash equivalent of the benefit of the van to be treated as earnings.

Status: This is the original version (as it was originally enacted).

- (3) This Chapter does not apply if an amount constitutes earnings from the employment in respect of the benefit of the car or van by virtue of any other provision (see section 119).
- (4) The following provisions of this Chapter provide for further exceptions—
 section 167 (pooled cars);
 section 168 (pooled vans);
 section 169 (car available to more than one member of family or household employed by same employer).

115 Meaning of “car” and “van”

- (1) In this Chapter—
 “car” means a mechanically propelled road vehicle which is not—
 (a) a goods vehicle,
 (b) a motor cycle,
 (c) an invalid carriage, or
 (d) a vehicle of a type not commonly used as a private vehicle and unsuitable to be so used;
 “van” means a mechanically propelled road vehicle which—
 (a) is a goods vehicle, and
 (b) has a design weight not exceeding 3,500 kilograms,
 and which is not a motor cycle.
- (2) For the purposes of subsection (1)—
 “design weight” means the weight which a vehicle is designed or adapted not to exceed when in normal use and travelling on a road laden;
 “goods vehicle” means a vehicle of a construction primarily suited for the conveyance of goods or burden of any description;
 “invalid carriage” has the meaning given by section 185(1) of the Road Traffic Act 1988 (c. 52);
 “motor cycle” has the meaning given by section 185(1) of the Road Traffic Act 1988.

116 Meaning of when car or van is available to employee

- (1) For the purposes of this Chapter a car or van 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 or a member of the employee’s family or household.
- (2) References in this Chapter to—
 (a) the time when a car is first made available to an employee are to the earliest time when the car is made available as mentioned in subsection (1), and
 (b) the last day in a year on which a car is available to an employee are to the last day in the year on which the car is made available as mentioned in subsection (1).
- (3) This section does not apply to section 138 (automatic car for a disabled employee).

Status: This is the original version (as it was originally enacted).

117 Meaning of car or van made available by reason of employment

For the purposes of this Chapter a car or van made available by an employer to an employee or a member of the employee's family or household is to be regarded as made available by reason of the employment unless—

- (a) the employer is an individual, and
- (b) it is so made available in the normal course of the employer's domestic, family or personal relationships.

118 Availability for private use

(1) For the purposes of this Chapter a car or van made available in a tax year to an employee or a member of the employee's family or household is to be treated as available for the employee's or member's private use unless in that year—

- (a) the terms on which it is made available prohibit such use, and
- (b) it is not so used.

(2) In this Chapter "private use", in relation to a car or van made available to an employee or a member of the employee's family or household, means any use other than for the employee's business travel (see section 171(1)).

119 Where alternative to benefit of car offered

(1) This section applies where in a tax year—

- (a) a car is made available as mentioned in section 114(1), and
- (b) an alternative to the benefit of the car is offered.

(2) The mere fact that the alternative is offered does not result in an amount in respect of the benefit constituting earnings by virtue of Chapter 1 of this Part (earnings).