



Income Tax (Earnings and Pensions) Act 2003

2003 CHAPTER 1

PART 4

EMPLOYMENT INCOME: EXEMPTIONS

CHAPTER 2

EXEMPTIONS: MILEAGE ALLOWANCES AND PASSENGER PAYMENTS

Supplementary

235 Vehicles to which this Chapter applies

- (1) This Chapter applies to cars, vans, motor cycles and cycles.
- (2) “Car” means a mechanically propelled road vehicle which is not—
 - (a) a goods vehicle,
 - (b) a motor cycle, or
 - (c) a vehicle of a type not commonly used as a private vehicle and unsuitable to be so used.
- (3) “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.
- (4) “Motor cycle” has the meaning given by section 185(1) of the Road Traffic Act 1988 (c. 52).
- (5) “Cycle” has the meaning given by section 192(1) of that Act.

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

(6) In this section—

“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.

[^{F1}235A Journeys made by members of local authorities etc

(1) Subject to subsections (2) and (3), a qualifying journey made by a member of a relevant authority is to be treated as business travel for the purposes of this Chapter if a qualifying payment is made by the authority—

- (a) to the member for expenses related to the member's use for the journey of a vehicle to which this Chapter applies, or
- (b) to another member of the authority for carrying the member as a passenger on the journey in a car or van.

(2) A qualifying journey is not to be treated as business travel—

- (a) for the purposes of section 231, or
- (b) when calculating for the purposes of that section the mileage allowance payments paid to the member in respect of the journey and the approved amount for such payments.

(3) If a journey made by a member of a relevant authority is a qualifying journey and a qualifying payment is made to the member for carrying a passenger on the journey, the member's journey is not to be treated as business travel in respect of that passenger for the purposes of sections 233 and 234 unless the passenger is also a member of the authority.

(4) A journey made by a member of a relevant authority is a “qualifying journey” for the purposes of this section if—

- (a) it is a journey between the member's home and permanent workplace, and
- (b) the member's home is situated in the area of the authority, or no more than 20 miles outside the boundary of the area.

(5) In this section “permanent workplace” has the same meaning as in Part 5 (see section 339).

(6) The Treasury may by regulations—

- (a) provide for bodies specified in the regulations (which must be local authorities or bodies that have similar or related functions or purposes) to be relevant authorities for the purposes of this section,
- (b) provide for references in this section to a member of a relevant authority to be read as references to a member of a description prescribed in the regulations, and
- (c) define what is meant by “qualifying payment” for the purposes of this section.

(7) The regulations may contain transitional provision and savings.]

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

Textual Amendments

- F1** S. 235A inserted (with effect in accordance with s. 29(7) of the amending Act) by [Finance \(No. 2\) Act 2015 \(c. 33\), s. 29\(3\)](#)

236 Interpretation of this Chapter

(1) In this Chapter—

“business travel” means travelling the expenses of which, if incurred and paid by the employee in question, would (if this Chapter did not apply) be deductible under sections 337 to 342;

“mileage allowance payments” has the meaning given by section 229(2);

“passenger payments” has the meaning given by section 233(3).

[^{F2}(1A) For journeys that are treated as business travel for the purposes of certain provisions of this Chapter, see section 235A (journeys made by members of local authorities etc).]

(2) For the purposes of this Chapter a vehicle is a “company vehicle” in a tax year if in that year—

- (a) the vehicle is made available to the employee by reason of the employment and is not available for the employee’s private use, or
- (b) [^{F3}an amount in respect of] the benefit of the vehicle is to be treated as the employee’s earnings for the tax year by virtue of—
 - (i) section 120 [^{F4}or 120A] (benefit of car treated as earnings),
 - (ii) section 154 [^{F5}or 154A] (benefit of van treated as earnings), or
 - (iii) section 203 [^{F6}or 203A] (residual liability to charge: benefit treated as earnings), or
- (c) in the case of a car or van, [^{F7}an amount in respect of] the benefit of the car or van would be required to be so treated if sections 167 and 168 (exceptions for pooled cars and vans) [^{F8}and section 248A (emergency vehicles)] did not apply, or
- (d) in the case of a cycle, the cash equivalent of the benefit of the cycle would be required to be treated as the employee’s earnings for the tax year under Chapter 10 of Part 3 (taxable benefits: residual liability to charge) if section 244(1) (exception for cycles made available) did not apply.

(3) Sections 117 and 118 (when cars and vans are made available by reason of employment and are made available for private use) apply for the purposes of subsection (2).

Textual Amendments

- F2** S. 236(1A) inserted (with effect in accordance with s. 29(7) of the amending Act) by [Finance \(No. 2\) Act 2015 \(c. 33\), s. 29\(4\)](#)
- F3** Words in s. 236(2)(b) substituted (with effect in accordance with Sch. 2 para. 62 of the amending Act) by [Finance Act 2017 \(c. 10\), Sch. 2 para. 52\(1\)\(a\)](#)
- F4** Words in s. 236(2)(b)(i) inserted (with effect in accordance with Sch. 2 para. 62 of the amending Act) by [Finance Act 2017 \(c. 10\), Sch. 2 para. 52\(1\)\(b\)](#)
- F5** Words in s. 236(2)(b)(ii) inserted (with effect in accordance with Sch. 2 para. 62 of the amending Act) by [Finance Act 2017 \(c. 10\), Sch. 2 para. 52\(1\)\(c\)](#)
- F6** Words in s. 236(2)(b)(iii) inserted (with effect in accordance with Sch. 2 para. 62 of the amending Act) by [Finance Act 2017 \(c. 10\), Sch. 2 para. 52\(1\)\(d\)](#)

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

- F7** Words in s. 236(2)(c) substituted (with effect in accordance with Sch. 2 para. 62 of the amending Act) by Finance Act 2017 (c. 10), **Sch. 2 para. 52(2)**
- F8** Words in s. 236(2)(c) inserted (with effect in accordance with s. 81(3) of the amending Act) by Finance Act 2004 (c. 12), **s. 81(2)**

Changes to legislation:

There are currently no known outstanding effects for the Income Tax (Earnings and Pensions) Act 2003, Cross Heading: Supplementary.