



Income Tax (Earnings and Pensions) Act 2003

2003 CHAPTER 1

PART 3

EMPLOYMENT INCOME: EARNINGS AND BENEFITS ETC. TREATED AS EARNINGS

CHAPTER 7

TAXABLE BENEFITS: LOANS

Benefit of taxable cheap loan treated as earnings

179 Exception for certain advances for necessary expenses

- (1) An advance by an employer to an employee for the purpose of paying for—
 - (a) necessary expenses, or
 - (b) incidental overnight expenses,is not a taxable cheap loan in relation to a particular tax year if the following conditions are met.
- (2) The conditions are—
 - (a) that at all times in the tax year in question the amount outstanding on such advances made by the employer to the employee does not exceed £1,000,
 - (b) that the advance is spent within 6 months after the date on which it is made, and
 - (c) that the employee accounts to the employer at regular intervals for the expenditure of the amount advanced.
- (3) If, on an application made by the employer, [^{F1}an officer of Revenue and Customs is] satisfied that there is good reason to do so in the case of a particular advance,

Changes to legislation: There are currently no known outstanding effects for the Income Tax (Earnings and Pensions) Act 2003, Section 179. (See end of Document for details)

[^{F2}the officer] may authorise that either or both of the following limits are increased in relation to that advance—

- (a) the sum of money specified in subsection (2)(a);
- (b) the time limit specified in subsection (2)(b).

(4) An application under subsection (3)—

- (a) must be in writing, and
- (b) must contain such particulars and be supported by such evidence as [^{F3}an officer of Revenue and Customs] may require.

(5) In this section “necessary expenses” are expenses (including travel expenses) which—

- (a) the employee is obliged to incur and pay as holder of the employment, and
- (b) are necessarily incurred in the performance of the duties of the employment.

(6) In this section “incidental overnight expenses” are expenses which—

- (a) are incidental to the employee’s absence from the place where the employee normally lives,
- (b) relate to a continuous period of such absence in relation to which the overnight stay conditions are met, and
- (c) would not be deductible under Part 5 if the employee incurred and paid them and Chapter 2 of Part 4 (mileage allowances and passenger payments) did not apply.

(7) In subsection (6)(b) “the overnight stay conditions” has the same meaning as in section 240 (exemption for incidental overnight expenses) (see section 240(4)).

Textual Amendments

- F1** Words in s. 179(3) substituted (18.4.2005) by [Commissioners for Revenue and Customs Act 2005 \(c. 11\), s. 53\(1\), Sch. 4 para. 109](#); S.I. 2005/1126, art. 2(2)(h)
- F2** Words in s. 179(3) substituted (18.4.2005) by [Commissioners for Revenue and Customs Act 2005 \(c. 11\), s. 53\(1\), Sch. 4 para. 103\(1\)\(e\)](#); S.I. 2005/1126, art. 2(2)(h)
- F3** Words in Act substituted (18.4.2005) by [Commissioners for Revenue and Customs Act 2005 \(c. 11\), s. 53\(1\), Sch. 4 para. 102\(1\)](#); S.I. 2005/1126, art. 2(2)(h)

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