



Income Tax (Earnings and Pensions) Act 2003

2003 CHAPTER 1

PART 5

EMPLOYMENT INCOME: DEDUCTIONS ALLOWED FROM EARNINGS

CHAPTER 2

DEDUCTIONS FOR EMPLOYEE'S EXPENSES

Introduction

333 Scope of this Chapter: expenses paid by the employee

- (1) A deduction from a person's earnings for an amount is allowed under the following provisions of this Chapter only if the amount—
 - (a) is paid by the person, or
 - (b) is paid on the person's behalf by someone else and is included in the earnings.
- (2) In the following provisions of this Chapter, in relation to a deduction from a person's earnings, references to the person paying an amount include references to the amount being paid on the person's behalf by someone else if or to the extent that the amount is included in the earnings.
- (3) Subsection (1)(b) does not apply to the deductions under—
 - (a) section 351(2) and (3) (expenses of ministers of religion), and
 - (b) section 355 (deductions for corresponding payments by non-domiciled employees with foreign employers),and subsection (2) does not apply in the case of those deductions.
- (4) Chapter 3 of this Part provides for deductions where—

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

- (a) a person's earnings include an amount treated as earnings under Chapter 4, 5 or 10 of Part 3 (taxable benefits: vouchers etc., living accommodation and residual liability to charge), and
- (b) an amount in respect of the benefit in question would be deductible under this Chapter if the person had incurred and paid it.

334 Effect of reimbursement etc.

- (1) For the purposes of this Chapter, a person may be regarded as paying an amount despite—
 - (a) its reimbursement, or
 - (b) any other payment from another person in respect of the amount.
- (2) But where a reimbursement or such other payment is made in respect of an amount, a deduction for the amount is allowed under the following provisions of this Chapter only if or to the extent that—
 - (a) the reimbursement, or
 - (b) so much of the other payment as relates to the amount, is included in the person's earnings.
- (3) This section does not apply to a deduction allowed under section 351 (expenses of ministers of religion).
- (4) This section is to be disregarded for the purposes of the deductibility provisions.

335 Application of deductions provisions: "earnings charged on receipt" and "earnings charged on remittance"

- (1) The availability of certain deductions under this Chapter depends on whether the earnings are earnings charged on receipt or earnings charged on remittance.
- (2) Sections 336 to 342—
 - (a) only apply if the earnings from which the deduction is to be made are earnings charged on receipt, and
 - (b) apply subject to section 354(1) if the earnings from the employment also include other earnings.
- (3) Section 353 (which provides for a deduction for expenses of the kind to which sections 336 to 342 apply)—
 - (a) only applies if the earnings from which the deduction is to be made are earnings charged on remittance, and
 - (b) applies subject to section 354(2) if the earnings from the employment also include other earnings.
- (4) In this Part—
 - "earnings charged on receipt" means earnings which are taxable earnings under section 15^{F1}... or 27, and
 - "earnings charged on remittance" means earnings which are taxable earnings under section 22 or 26.

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Textual Amendments

- F1** Words in s. 335(4) omitted (with effect in accordance with Sch. 7 para. 81 of the amending Act) by virtue of Finance Act 2008 (c. 9), **Sch. 7 para. 26**

Changes to legislation:

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