



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

Car fuel: benefit treated as earnings

152 Car fuel: proportionate reduction of cash equivalent

- (1) The cash equivalent of the benefit of the fuel is to be proportionately reduced if for any part of the tax year in question the car for which the fuel is provided is unavailable (within the meaning of section 143 (deduction for periods when car unavailable)).
- (2) The cash equivalent of the benefit of the fuel is also to be proportionately reduced if^{F1}...—
 - (a) [^{F2}for any part of the tax year in question,] the facility for the provision of fuel as mentioned in section 149(1) is not available,
 - (b) [^{F3}for any part of the tax year in question,] the fuel is made available only for business travel (see section 171(1)), or
 - (c) the employee^{F4}—
 - (i) for any part of the tax year in question,] is required to make good to the person providing the fuel the whole of the expense incurred by that person in connection with the provision of the fuel for the employee's private use [^{F5}, and
 - (ii) the employee does make good that expense on or before 6 July following that tax year]

Changes to legislation: There are currently no known outstanding effects for the Income Tax (Earnings and Pensions) Act 2003, Section 152. (See end of Document for details)

- (3) The fact that any of the conditions specified in subsection (2) is met for part of a tax year is to be disregarded if there is a time later in that year when none of those conditions is met.
- (4) Where the cash equivalent is to be proportionately reduced under subsection (1) or (2) (or under both those subsections), the reduced amount is given by the formula—

$$CE \times \frac{Y-D}{Y}$$

where—

CE is the amount of the cash equivalent before any reduction,

Y is the number of days in the tax year in question, and

D is the total number of days in that year on which either the car is unavailable or one or more of the conditions in subsection (2) is met.

Textual Amendments

- F1** Words in s. 152(2) omitted (with effect in accordance with s. 1(14) of the amending Act) by virtue of [Finance \(No. 2\) Act 2017 \(c. 32\), s. 1\(9\)\(a\)](#)
- F2** Words in s. 152(2)(a) inserted (with effect in accordance with s. 1(14) of the amending Act) by [Finance \(No. 2\) Act 2017 \(c. 32\), s. 1\(9\)\(b\)](#)
- F3** Words in s. 152(2)(b) inserted (with effect in accordance with s. 1(14) of the amending Act) by [Finance \(No. 2\) Act 2017 \(c. 32\), s. 1\(9\)\(c\)](#)
- F4** [S. 152\(2\)\(c\)\(i\)](#) inserted (with effect in accordance with s. 1(14) of the amending Act) by [Finance \(No. 2\) Act 2017 \(c. 32\), s. 1\(9\)\(d\)\(i\)](#)
- F5** Words in s. 152(2)(c) substituted (with effect in accordance with s. 1(14) of the amending Act) by [Finance \(No. 2\) Act 2017 \(c. 32\), s. 1\(9\)\(d\)\(ii\)](#)

Changes to legislation:

There are currently no known outstanding effects for the Income Tax (Earnings and Pensions) Act 2003, Section 152.