



# 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

*Vans: benefit treated as earnings*

#### **[<sup>F1</sup>155 Cash equivalent of the benefit of a van**

[<sup>F2</sup>(1) The cash equivalent of the benefit of a van for a tax year is calculated as follows.

(1A) If the restricted private use condition is met in relation to the van for the tax year, the cash equivalent is nil.

(1B) If that condition is not met in relation to the van for the tax year—

(a) if the van cannot in any circumstances emit CO<sub>2</sub> by being driven and the tax year is any of the tax years 2015-16 to [<sup>F3</sup>2020-21], the cash equivalent is the appropriate percentage of [<sup>F4</sup>£3,500]<sup>F5</sup> ...

[<sup>F6</sup>(aa) if the van cannot in any circumstances emit CO<sub>2</sub> by being driven and the tax year is 2021-22 or a subsequent tax year, the cash equivalent is nil, and]

(b) in any other case, the cash equivalent is [<sup>F7</sup>£3,960].

(1C) The appropriate percentage for the purposes of subsection (1B)(a) is—

(a) 20% for the tax year 2015-16,

[<sup>F8</sup>(b) 20% for the tax year 2016-17;

(c) 60% for the tax year 2017-18,

*Changes to legislation: There are currently no known outstanding effects for the Income Tax (Earnings and Pensions) Act 2003, Section 155. (See end of Document for details)*

- (d) 80% for the tax year 2018-19, and
  - (e) 90% for the tax year 2019-20.
  - (f) 80% for the tax year 2020-21;
  - <sup>F9</sup>(g) .....]]
- (4) The restricted private use condition is met in relation to a van for a tax year if—
- (a) the commuter use requirement is satisfied throughout the year (or the part of the year on which it is available to the employee) or the extent to which it is not satisfied during that period is insignificant, and
  - (b) the business travel requirement is satisfied throughout the year (or the part of the year on which it is available to the employee).
- (5) The commuter use requirement is satisfied at any time if—
- (a) the terms on which the van is available to the employee at the time prohibit its private use otherwise than for the purposes of ordinary commuting or travel between two places that is for practical purposes substantially ordinary commuting, and
  - (b) neither the employee nor a member of the employee’s family or household makes private use of the van at the time otherwise than for those purposes.
- (6) In subsection (5) “ordinary commuting” has the same meaning as in section 338 (travel for necessary attendance) (see subsection (3) of that section).
- (7) The business travel requirement is satisfied at a time if the van is available to the employee at the time mainly for use for the purposes of the employee’s business travel (see section 171(1)).
- (8) The cash equivalent of the van may be reduced—
- (a) under section 156 for any periods when the van is unavailable,
  - (b) under section 157 where the van is shared, and
  - (c) under section 158 in respect of payments by the employee for the private use of the van.]

#### **Textual Amendments**

- F1** Ss. 155-164 substituted for ss. 155-166 (with effect in accordance with s. 80(2) of the amending Act) by [Finance Act 2004 \(c. 12\)](#), [Sch. 14 para. 5](#)
- F2** S. 155(1)-(1C) substituted for s. 155(1)(2) (with effect in accordance with s. 10(8) of the amending Act) by [Finance Act 2015 \(c. 11\)](#), [s. 10\(2\)](#)
- F3** Word in s. 155(1B)(a) substituted (10.6.2021) by [Finance Act 2021 \(c. 26\)](#), [s. 23\(2\)\(a\)](#)
- F4** Sum in s. 155(1B)(a) substituted (with application in accordance with art. 1(2) of the amending S.I.) by [The Van Benefit and Car and Van Fuel Benefit Order 2021 \(S.I. 2021/248\)](#), [arts. 1\(2\), 3](#)
- F5** Word in s. 155(1B)(a) omitted (10.6.2021) by virtue of [Finance Act 2021 \(c. 26\)](#), [s. 23\(2\)\(b\)](#)
- F6** S. 155(1B)(aa) inserted (10.6.2021) by [Finance Act 2021 \(c. 26\)](#), [s. 23\(2\)\(c\)](#)
- F7** Sum in s. 155(1B)(b) substituted (6.4.2023 with application to the tax year 2023-24 and subsequent tax years) by [The Van Benefit and Car and Van Fuel Benefit Order 2022 \(S.I. 2022/1288\)](#), [arts. 1\(2\), 3](#)
- F8** S. 155(1C)(b)-(g) substituted for s. 155(1C)(b)-(e) (with effect in accordance with s. 11(4) of the amending Act) by [Finance Act 2016 \(c. 24\)](#), [s. 11\(3\)](#)
- F9** S. 155(1C)(g) omitted (10.6.2021) by virtue of [Finance Act 2021 \(c. 26\)](#), [s. 23\(3\)](#)

**Changes to legislation:**

There are currently no known outstanding effects for the Income Tax (Earnings and Pensions) Act 2003, Section 155.