



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

Travel expenses

[^{F1}340A Travel between linked employments

- (1) A deduction from earnings from an employment is allowed for travel expenses if conditions A to E are met.
- (2) Condition A is that the employee is obliged to incur and pay the expenses.
- (3) Condition B is that the travel—
 - (a) takes place within the United Kingdom, and
 - (b) is for the purpose of performing duties of the employment at the destination.
- (4) Condition C is that the employee has performed duties of another employment at the place of departure.
- (5) Condition D is that—
 - (a) at least one of the employments is as a director of a company (“company X”), and
 - (b) the other employment is also with a company (“company Y”) but not necessarily as a director of it.

Changes to legislation: *There are currently no known outstanding effects for the Income Tax (Earnings and Pensions) Act 2003, Section 340A. (See end of Document for details)*

- (6) Condition E is that the employee was appointed as a director of company X because company Y, or a company in the same group as company Y, has a shareholding or other financial interest in company X.
- (7) This section needs to be read with section 359 (disallowance of travel expenses: mileage allowances and reliefs).
- (8) In this section—
 “director” has the same meaning as in the benefits code (see section 67),
 and
 “group” means a company and its 51% subsidiaries.]

Textual Amendments

- F1** S. 340A inserted (with effect in accordance with art. 4 of the amending S.I.) by [The Enactment of Extra-Statutory Concessions Order 2014 \(S.I. 2014/211\)](#), arts. 1, **2(2)**

Changes to legislation:

There are currently no known outstanding effects for the Income Tax (Earnings and Pensions) Act 2003, Section 340A.