



# Finance Act 2010

## 2010 CHAPTER 13

### PART 3

#### OTHER PROVISIONS

##### *Income tax: benefits in kind*

#### **58 Zero and low emission vehicles**

- (1) Chapter 6 of Part 3 of ITEPA 2003 (taxable benefits: cars, vans and related benefits) is amended as follows.
- (2) <sup>F1</sup>.....
- (3) <sup>F1</sup>.....
- (4) <sup>F1</sup>.....
- (5) <sup>F1</sup>.....
- (6) Omit subsection (5A).
- (7) Section 140 (cars first registered in 1998 or later without emissions figure) is amended as follows.
- (8) In subsection (3), for the words after “year is” substitute—
  - “(a) the special percentage if the car cannot in any circumstances emit CO<sub>2</sub> by being driven, and
  - (b) 35% in any other case.”
- (9) After that subsection insert—

“(3A) The special percentage is—

  - (a) for the tax years 2010-11 to 2014-15, 0%, and
  - (b) for the tax year 2015-16 and subsequent tax years, 9%.”

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*Changes to legislation: There are currently no known outstanding effects for the Finance Act 2010, Cross Heading: Income tax: benefits in kind. (See end of Document for details)*

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- (10) Omit subsection (4).
- (11) In section 149(4) (car fuel benefit), for “for an electrically propelled vehicle” substitute “or any energy for a car which cannot in any circumstances emit CO<sub>2</sub> by being driven.”
- (12) In section 155 (vans), for subsections (1) to (3) substitute—
- “(1) The cash equivalent of the benefit of a van for a tax year is—
- (a) nil in a case to which subsection (2) applies, and
- (b) £3,000 in any other case.
- (2) This subsection applies if—
- (a) the restricted private use condition is met in relation to the van for the tax year, or
- (b) the van cannot in any circumstances emit CO<sub>2</sub> by being driven and the tax year is any of the tax years 2010-11 to 2014-15.”
- (13) In—
- (a) section 156(1) (reduction for periods when van unavailable), and
- (b) section 158(1) (reduction for payments for private use),
- for “155(2)(a) or (b)” substitute “ 155(1) ”.
- (14) In section 160 (van fuel benefit)—
- (a) in subsection (1), for “155(2)(b)” substitute “ 155(1)(b) ”, and
- (b) omit subsection (4).
- (15) In section 170(1A) (power to amend section 155(2)(a) and (3)(b))—
- (a) in paragraph (a), for “155(2)(a)” substitute “ 155(1)(a) ” and after “employee” insert “ or a zero-emission van ”, and
- (b) in paragraph (b), for “155(3)(b)” substitute “ 155(1)(b) ”.
- (16) In FA 2006, in section 59, omit subsection (7).
- (17) In FA 2009, in Schedule 28, omit paragraph 7.
- (18) The amendments made by subsections (2) to (16) have effect for the tax year 2010-11 and subsequent tax years.
- (19) The amendment made by subsection (17) is treated as always having had effect.
- (20) The amendment of section 142 of ITEPA 2003 made by paragraph 8 of Schedule 28 to FA 2009 has effect for the tax year 2010-11 (as well as for the tax year 2011-12 and subsequent tax years).

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#### **Textual Amendments**

**F1** [S. 58\(2\)-\(5\)](#) omitted (8.4.2010 with effect as mentioned in [s. 59\(5\)](#) of the amending Act) by virtue of [Finance Act 2010 \(c. 13\), s. 59\(4\)\(c\)](#)

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## 59 Cars with CO<sub>2</sub> emissions figure

- (1) Chapter 6 of Part 3 of ITEPA 2003 (taxable benefits: cars, vans and related benefits) is further amended as follows.
- (2) For section 139 substitute—

### “139 Cars with a CO<sub>2</sub> emissions figure: the appropriate percentage

- (1) The appropriate percentage for a year for a car with a CO<sub>2</sub> emissions figure depends on the car's CO<sub>2</sub> emissions figure.
  - (2) If the car's CO<sub>2</sub> emissions figure is less than the relevant threshold for the year, the appropriate percentage for the year is—
    - (a) if the year is 2012-13, 2013-14 or 2014-15 and the car's CO<sub>2</sub> emissions figure for the year does not exceed 75 grams per kilometre driven, 5%, and
    - (b) otherwise, 10%.
  - (3) If the car's CO<sub>2</sub> emissions figure is equal to the relevant threshold for the year, the appropriate percentage for the year is 11% (“the threshold percentage”).
  - (4) If the car's CO<sub>2</sub> emissions figure exceeds the relevant threshold for the year, the appropriate percentage for the year is whichever is the lesser of—
    - (a) the threshold percentage increased by one percentage point for each 5 grams per kilometre driven by which the CO<sub>2</sub> emissions figure exceeds the relevant threshold for the year, and
    - (b) 35%.
  - (5) The relevant threshold is 100 grams per kilometre driven.
  - (6) If the car's CO<sub>2</sub> emissions figure is not a multiple of 5, it is to be rounded down to the nearest multiple of 5 for the purposes of subsections (3) and (4)(a).
  - (7) This section is subject to—
    - (a) section 141 (diesel cars), and
    - (b) any regulations made by the Treasury under section 170(4) (power to reduce the appropriate percentage).”
- (3) In section 170 (Treasury orders and regulations varying various amounts)—
- (a) omit subsection (2A) (power to vary limit in section 139(3A)), and
  - (b) in subsection (3)—
    - (i) for ““lower” substitute ““ relevant ””,
    - (ii) for “the Table in section 139(4)” substitute “ section 139(5) ”, and
    - (iii) for “2006” substitute “ 2013 ”.
- (4) In consequence of the amendments made by subsections (2) and (3), omit—
- (a) in FA 2006, section 59,
  - (b) in FA 2009, in Schedule 28, paragraphs 6, 9 and 10(1), and
  - (c) in this Act, section 58(2) to (5).
- (5) The amendments made by this section have effect for the tax year 2012-13 and subsequent tax years.

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## **60 Subsidised meals for employees: salary sacrifice etc**

- (1) Section 317 of ITEPA 2003 (exemption from income tax in respect of provision for employees by employer of free or subsidised meals) is amended as follows.
- (2) In subsection (1), for “C” substitute “ D ”.
- (3) After subsection (4) insert—
  - “(4A) Condition D is that the provision is not pursuant to—
    - (a) relevant salary sacrifice arrangements, or
    - (b) relevant flexible remuneration arrangements.”
- (4) After subsection (5) insert—
  - “(5A) In this section—
    - “relevant salary sacrifice arrangements” means arrangements (whenever made, whether before or after the employment began) under which the employee gives up the right to receive an amount of general earnings or specific employment income in return for the provision of free or subsidised meals;
    - “relevant flexible remuneration arrangements” means arrangements (whenever made, whether before or after the employment began) under which the employee and employer agree that the employee is to be provided with free or subsidised meals rather than receive some other description of employment income.”
- (5) The amendments made by this section have effect for the tax year 2011-12 and subsequent tax years.

**Changes to legislation:**

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