



Finance (No. 2) Act 2015

2015 CHAPTER 33

PART 4

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

Income tax

29 Travel expenses of members of local authorities etc

- (1) ITEPA 2003 is amended as follows.
- (2) In section 229(2) (mileage allowance payments), for “section 236(1)” substitute “sections 235A and 236(1)”.
- (3) After section 235 insert—

“235A Journeys made by members of local authorities etc

- (1) Subject to subsections (2) and (3), a qualifying journey made by a member of a relevant authority is to be treated as business travel for the purposes of this Chapter if a qualifying payment is made by the authority—
 - (a) to the member for expenses related to the member's use for the journey of a vehicle to which this Chapter applies, or
 - (b) to another member of the authority for carrying the member as a passenger on the journey in a car or van.
- (2) A qualifying journey is not to be treated as business travel—
 - (a) for the purposes of section 231, or
 - (b) when calculating for the purposes of that section the mileage allowance payments paid to the member in respect of the journey and the approved amount for such payments.
- (3) If a journey made by a member of a relevant authority is a qualifying journey and a qualifying payment is made to the member for carrying a passenger on

Changes to legislation: There are currently no known outstanding effects for the Finance (No. 2) Act 2015, Section 29. (See end of Document for details)

the journey, the member's journey is not to be treated as business travel in respect of that passenger for the purposes of sections 233 and 234 unless the passenger is also a member of the authority.

- (4) A journey made by a member of a relevant authority is a “qualifying journey” for the purposes of this section if—
- (a) it is a journey between the member's home and permanent workplace, and
 - (b) the member's home is situated in the area of the authority, or no more than 20 miles outside the boundary of the area.
- (5) In this section “permanent workplace” has the same meaning as in Part 5 (see section 339).
- (6) The Treasury may by regulations—
- (a) provide for bodies specified in the regulations (which must be local authorities or bodies that have similar or related functions or purposes) to be relevant authorities for the purposes of this section,
 - (b) provide for references in this section to a member of a relevant authority to be read as references to a member of a description prescribed in the regulations, and
 - (c) define what is meant by “qualifying payment” for the purposes of this section.
- (7) The regulations may contain transitional provision and savings.”

- (4) In section 236 (interpretation of Chapter 2 of Part 4), after subsection (1) insert—

“(1A) For journeys that are treated as business travel for the purposes of certain provisions of this Chapter, see section 235A (journeys made by members of local authorities etc).”

- (5) After section 295 insert—

“Members of local authorities etc

295A Travel expenses of members of local authorities etc

- (1) No liability to income tax arises in respect of a qualifying payment made to a member of a relevant authority for travel expenses incurred by the member if—
- (a) the payment is for expenses other than those related to the member's use of a vehicle to which Chapter 2 applies, and
 - (b) the expenses are not excluded by subsection (2).
- (2) Expenses are excluded by this subsection if—
- (a) they are incurred on a journey between the member's home and permanent workplace, and
 - (b) the member's home is situated more than 20 miles outside the boundary of the area of the relevant authority.
- (3) In this section “permanent workplace” has the same meaning as in Part 5 (see section 339).

Changes to legislation: There are currently no known outstanding effects for the Finance (No. 2) Act 2015, Section 29. (See end of Document for details)

- (4) The Treasury may by regulations—
 - (a) provide for bodies specified in the regulations (which must be local authorities or bodies that have similar or related functions or purposes) to be relevant authorities for the purposes of this section,
 - (b) provide for references in this section to a member of a relevant authority to be read as references to a member of a description prescribed in the regulations, and
 - (c) define what is meant by “qualifying payment” for the purposes of this section.
- (5) The regulations may contain transitional provision and savings.”
- (6) In Schedule 1 (index of defined expressions), in the entry relating to business travel in Chapter 2 of Part 4, for “section 236(1)” substitute “ sections 235A and 236(1) ”.
- (7) The amendments made by this section have effect for the tax year 2016-17 and subsequent tax years.

Changes to legislation:

There are currently no known outstanding effects for the Finance (No. 2) Act 2015, Section 29.