
Changes to legislation: There are currently no known outstanding effects for the Finance Act 2017, Paragraph 40. (See end of Document for details)

SCHEDULES

SCHEDULE 2

OPTIONAL REMUNERATION ARRANGEMENTS

Benefits in kind: amount treated as earnings

40 After section 160 insert—

“160A Benefit of van fuel treated as earnings: optional remuneration arrangements

- (1) This section applies if—
 - (a) fuel is provided for a van in a tax year by reason of an employee's employment,
 - (b) the benefit of the fuel is provided pursuant to optional remuneration arrangements, and
 - (c) the employee is chargeable to tax in respect of the van in the tax year by virtue of section 154 or 154A.
- (2) If the condition in subsection (3) is met—
 - (a) the amount foregone with respect to the benefit of the fuel (see section 69B) is to be treated as earnings from the employment for that year, and
 - (b) section 160(1) does not apply.
- (3) The condition mentioned in subsection (2) is that the amount foregone with respect to the benefit of the fuel is greater than the cash equivalent of the benefit of the fuel.
- (4) For the purposes of subsection (3), assume that the cash equivalent of the benefit of the fuel is zero if the condition mentioned in subsection (5) is met.
- (5) The condition mentioned in subsection (4) is that the benefit of the fuel would be exempt from income tax but for section 228A (exclusion of certain exemptions).
- (6) Where it is necessary for the purposes of subsections (2)(a) and (3) to apportion an amount of earnings to the benefit of the fuel in the tax year, the apportionment is to be made on a just and reasonable basis.

In this subsection “earnings” is to be interpreted in accordance with section 69B(5).”

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