

**2013 No. 3033**

**INCOME TAX**

**The Van Benefit and Car and Van Fuel Benefit Order 2013**

*Made* - - - - *3rd December 2013*

*Laid before the House of Commons* *4th December 2013*

*Coming into force* - - *31st December 2013*

The Treasury make the following Order in exercise of the powers conferred by section 170(1A), (2), (5) and (6) of the Income Tax (Earnings and Pensions) Act 2003(a):

**Citation, commencement and effect**

**1.**—(1) This Order may be cited as the Van Benefit and Car and Van Fuel Benefit Order 2013.

(2) This Order shall come into force on 31st December 2013 and has effect for the tax year 2014-15 and subsequent tax years.

**Amendment to section 150 of the Income Tax (Earnings and Pensions) Act 2003**

**2.** In section 150(1) of the Income Tax (Earnings and Pensions) Act 2003 (car fuel: calculating the cash equivalent)(b) for “£21,100” substitute “£21,700”.

**Amendment to section 155 of the Income Tax (Earnings and Pensions) Act 2003**

**3.** In section 155(1)(b) of the Income Tax (Earnings and Pensions) Act 2003 (cash equivalent of the benefit of a van)(c) for “£3,000” substitute “£3,090”.

**Amendment to section 161 of the Income Tax (Earnings and Pensions) Act 2003**

**4.** In section 161(b) of the Income Tax (Earnings and Pensions) Act 2003 (van fuel: the cash equivalent)(d) for “£564” substitute “£581”.

*Anne Milton*  
*Mark Lancaster*

3rd December 2013

Two of the Lords Commissioners of Her Majesty’s Treasury

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(a) 2003 c. 1; section 170(1A) was inserted by paragraphs 1 and 7 of Schedule 14 to the Finance Act 2004 (c. 12) and amended by section 58(1) and (15) of the Finance Act 2010 (c. 13). Section 170(2) and (5) was amended by paragraphs 1 and 7 of Schedule 14 to the Finance Act 2004.

(b) The amount specified in section 150(1) was last substituted by S.I. 2012/3037.

(c) Section 155(1) was substituted by section 58(1) and (12) of the Finance Act 2010.

(d) The amount specified in section 161(b) was last substituted by S.I. 2012/3037.

## EXPLANATORY NOTE

*(This note is not part of the Order)*

This Order amends sections 150(1), 155(1)(b) and 161(b) of the Income Tax (Earnings and Pensions) Act 2003 (“the Act”).

Where an employee receives fuel for a car by reason of the employee’s employment and that person is chargeable to tax in respect of the car under section 120 of the Act, the cash equivalent of the benefit of the fuel is treated as earnings from the employment under section 149 of the Act and is subject to tax and national insurance contributions.

With effect from the tax year 2013-14, the cash equivalent of the benefit of the fuel is calculated by applying the “appropriate percentage” (normally calculated by reference to the CO<sub>2</sub> emissions of a car) to the figure of £21,100 in section 150(1) of the Act.

Article 2 of this Order increases the figure in section 150(1) to £21,700 for the tax year 2014-15 and subsequent tax years.

Where a van which is made available to an employee by reason of the employee’s employment is also made available for private use, the benefit of the van is treated as earnings from the employment under section 154 of the Act and is subject to tax and national insurance contributions.

With effect from the tax year 2007-08, the cash equivalent of the benefit of a van is calculated by reference to the figure of £3,000 in section 155(1)(b) of the Act. But the cash equivalent is nil where the private use is insignificant, or limited to private use for the purposes of ordinary commuting, or in any of the tax years 2010-11 to 2014-15, where the van is incapable of emitting any CO<sub>2</sub> emissions in any circumstances.

Article 3 of this Order increases the figure in section 155(1)(b) to £3,090 for the tax year 2014-15 and subsequent tax years.

Where an employee receives fuel for a van by reason of the employee’s employment and that person is chargeable to tax in respect of the van under section 154 of the Act, the cash equivalent of the benefit of the fuel is treated as earnings from the employment under section 160 of the Act and is subject to tax and national insurance contributions.

With effect from the tax year 2013-14, the cash equivalent of the benefit of the fuel is set at £564 in section 161(b) of the Act.

Article 4 of this Order increases the figure in section 161(b) to £581 for the tax year 2014-15 and subsequent tax years.

A Tax Information and Impact Note has not been prepared for this Instrument as it gives effect to previously announced policy.

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