



Income Tax (Earnings and Pensions) Act 2003

2003 CHAPTER 1

PART 3

EMPLOYMENT INCOME: EARNINGS AND BENEFITS ETC. TREATED AS EARNINGS

CHAPTER 6

TAXABLE BENEFITS: CARS, VANS AND RELATED BENEFITS

Cars: benefit treated as earnings

120 Benefit of car treated as earnings

- (1) If this Chapter applies to a car in relation to a particular tax year, the cash equivalent of the benefit of the car is to be treated as earnings from the employment for that year.
- (2) In such a case [^{F1}(including a case where the cash equivalent of the benefit of the car is nil)] the employee is referred to in this Chapter as being chargeable to tax in respect of the car in that year.
- [^{F2}(3) Any reference in this Act to a case where the cash equivalent of the benefit of a car is treated as the employee's earnings for a year by virtue of this section includes a case where the cash equivalent is nil.]
- [^{F3}(4) This section is subject to section 120A.]

Textual Amendments

- F1** Words in s. 120(2) inserted (with effect in accordance with s. 7(9) of the amending Act) by [Finance Act 2016 \(c. 24\), s. 7\(6\)\(a\)](#)

Changes to legislation: *Income Tax (Earnings and Pensions) Act 2003, Section 120 is up to date with all changes known to be in force on or before 15 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

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| <p>F2 S. 120(3) inserted (with effect in accordance with s. 7(9) of the amending Act) by Finance Act 2016 (c. 24), s. 7(6)(b)</p> <p>F3 S. 120(4) inserted (with effect in accordance with Sch. 2 para. 62 of the amending Act) by Finance Act 2017 (c. 10), Sch. 2 para. 21</p> |
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[View outstanding changes](#)

Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 452(2)(aa) inserted by [2013 c. 29 Sch. 23 para. 11](#)
- s. 707A inserted by [2024 c. 3 s. 36\(4\)](#)