



Income and Corporation Taxes Act 1988

1988 CHAPTER 1

PART V

PROVISIONS RELATING TO THE SCHEDULE E CHARGE

CHAPTER IV

OTHER EXEMPTIONS AND RELIEFS

Other expenses, subscriptions etc.

198 Relief for necessary expenses.

[^{F1}(1) If the holder of an office or employment is obliged to incur and defray out of the emoluments of the office or employment—

- (a) qualifying travelling expenses, or
- (b) any amount (other than qualifying travelling expenses) expended wholly, exclusively and necessarily in the performance of the duties of the office or employment,

there may be deducted from the emoluments to be assessed the amount so incurred and defrayed.

(1A) “Qualifying travelling expenses” means—

- (a) amounts necessarily expended on travelling in the performance of the duties of the office or employment, or
- (b) other expenses of travelling which—
 - (i) are attributable to the necessary attendance at any place of the holder of the office or employment in the performance of the duties of the office or employment, and
 - (ii) are not expenses of ordinary commuting or private travel.

Status: Point in time view as at 31/07/1998. This version of this provision has been superseded.

Changes to legislation: Income and Corporation Taxes Act 1988, Section 198 is up to date with all changes known to be in force on or before 26 July 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)

What is ordinary commuting or private travel for this purpose is defined in Schedule 12A.

- (1B) Expenses of travel by the holder of an office or employment between two places at which he performs duties of different offices or employments under or with companies in the same group are treated as necessarily expended in the performance of the duties which he is to perform at his destination.

For this purpose companies are taken to be members of the same group if, and only if, one is a 51 per cent. subsidiary of the other or both are 51 per cent. subsidiaries of a third company.]

- (2) Subject to subsection (3) below, where the emoluments for any duties do not fall within Case I or II of Schedule E, then in relation to those or any other emoluments of the office or employment, subsection (1) above and [F2Part II of the 1990 Act] (capital allowances in respect of machinery and plant) shall apply as if the performance of those duties did not belong to that office or employment.
- (3) There may be deducted from any emoluments chargeable under Case III of Schedule E the amount of—
- (a) any expenses defrayed out of those emoluments, and
 - (b) any other expenses defrayed in the United Kingdom in the chargeable period or in an earlier chargeable period in which the holder of the office or employment has been resident in the United Kingdom,

being in either case expenses for which a deduction might have been made under subsection (1) above from emoluments of the office or employment if they had been chargeable under Case I of Schedule E for the chargeable period in which the expenses were incurred; but a deduction shall not be made twice, whether under this subsection or otherwise, in respect of the same expenses from emoluments of the office or employment.

- (4) No deduction shall be made under this section in respect of expenditure incurred by a Member of the House of Commons in, or in connection with, the provision or use of residential or overnight accommodation to enable him to perform his duties as such a Member in or about the Palace of Westminster or his constituency.

Textual Amendments

F1 S. 198(1)(1A)(1B) substituted (with effect in accordance with s. 61(3) of the amending Act) by Finance Act 1998 (c. 36), s. 61(1)

F2 1990(C) s.164 and Sch.1 para.8(10). Previously
 “Chapter II of Part I of the 1968 Act and Chapter I of Part III of the Finance Act 1971”.

Status:

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