

Status: Point in time view as at 31/12/1999.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1993, SCHEDULE 4. (See end of Document for details)

SCHEDULES

SCHEDULE 4

Section 73.

VANS

- 1 The Taxes Act 1988 shall be amended as follows.
- 2 In section 154(2), in paragraph (b) (which excludes from the general charge on benefits in kind any benefits under the provisions there specified) after “section 157, 158,” there shall be inserted “ 159AA, ”.
- 3 In section 155(1) (exclusion from charge of certain other benefits provided in connection with cars taxable under section 157)—
 - (a) after “car”, in each place where it occurs, there shall be inserted “ or van ”, and
 - (b) after “section 157” there shall be inserted “ or 159AA ”.
- 4 After section 159 there shall be inserted the following sections—

“159AA Vans available for private use.

- (1) Where in any year, in the case of a person employed in employment to which this Chapter applies, a van is made available (without any transfer of the property in it) either to himself or to others being members of his family or household, and—
 - (a) it is so made available by reason of his employment and it is in that year available for his or their private use, and
 - (b) the benefit of the van is not (apart from this section) chargeable to tax as the employee’s income,there is to be treated as emoluments of the employment, and accordingly chargeable to income tax under Schedule E, an amount equal to whatever is the cash equivalent of that benefit in that year.
- (2) The cash equivalent of the benefit in the year concerned shall be ascertained in accordance with Schedule 6A.
- (3) Where in any year the benefit of a van is chargeable to tax under this section as the employee’s income, he shall not be taxable—
 - (a) under Schedule E in respect of the discharge of any liability of his in connection with the van;
 - (b) under section 141 or 142 in respect of any non-cash voucher or credit-token to the extent that it is used by him—
 - (i) for obtaining money which is spent on goods or services in connection with the van, or
 - (ii) for obtaining such goods or services;
 - (c) under section 153 in respect of any payment made to him in respect of expenses incurred by him in connection with the van.

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159AB Pooled vans.

Section 159 shall apply in relation to vans as it applies in relation to cars, and for the purposes of the application of that section to vans—

- (a) any reference in that section to a car shall be construed as a reference to a van,
- (b) the reference in subsection (1) of that section to a car pool shall be construed as a reference to a van pool, and
- (c) the reference in subsection (3) of that section to section 157 shall be construed as a reference to section 159AA.”

F15

Textual Amendments

- F1** Sch. 4 para. 5 repealed (27.7.1999 with effect for the year 1999-00 and subsequent years of assessment) by 1999 c. 16, s. 139, Sch. 20 Pt. III(9) Note

6 (1) In section 168 (interpretation) after subsection (5) there shall be inserted the following subsection—

“(5A) As respects vans, the following definitions apply—

- (a) “van” means a mechanically propelled road vehicle which is—
 - (i) of a construction primarily suited for the conveyance of goods or burden of any description, and
 - (ii) of a design weight not exceeding 3,500 kilograms,
 and which is not a motor cycle as defined in section 185(1) of the ^{M1}Road Traffic Act 1988;
- (b) the age of a van at any time is the interval between the date of its first registration and that time;
- (c) “business travel” means travelling which a person is necessarily obliged to do in the performance of the duties of his employment;
- (d) the date of a van’s first registration is the date on which it was first registered under the ^{M2}Vehicles (Excise) Act 1971 or under corresponding legislation of any country or territory;
- (e) “design weight” means the weight which a vehicle is designed or adapted not to exceed when in normal use and travelling on a road laden; and
- (f) “private use”, in relation to a van made available to any person, or to others being members of his family or household, means any use otherwise than for his business travel.”

(2) In subsection (6) of that section (meaning of availability for private use by reason of employment) there shall be added at the end—

- “(c) a van made available in any year to an employee, or to others being members of his family or household, by reason of his employment is deemed to be available in that year for his or their private use unless the terms on which the van is made available prohibit such use and no such use is made of the van in that year;

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- (d) a van made available to an employee, or to others being members of his family or household, by his employer is deemed to be made available to him or them by reason of his employment (unless the employer is an individual and it can be shown that the van was made so available in the normal course of his domestic, family or personal relationships).”

Marginal Citations

M1 1988 c. 52.

M2 1971 c. 10.

7 After Schedule 6 there shall be inserted the following Schedule—

“SCHEDULE 6A

Section 159AA.

TAXATION OF DIRECTORS AND OTHERS IN RESPECT OF VANS

PART I

BASIC CASE

Cash equivalent

- 1 (1) This paragraph applies where the van mentioned in section 159AA(1)—
- (a) is not a van to which Part II of this Schedule applies for the year concerned, or
 - (b) is a van to which that Part applies for the year concerned but is a shared van (within the meaning there given) for part only of the year.
- (2) Subject to paragraphs 2 and 3 below, the cash equivalent of the benefit is—
- (a) £500, if the van is aged less than 4 years at the end of the year concerned;
 - (b) £350, if the van is aged 4 years or more at the end of the year concerned.

Reductions for periods where van unavailable

- 2 (1) Subject to paragraph 3 below, where paragraph 1 above applies and for any part of the year concerned—
- (a) the van is unavailable, or
 - (b) the van is a shared van (within the meaning given by Part II of this Schedule),
- the cash equivalent of the benefit is the amount ascertained under paragraph 1 above (the full amount) reduced by an amount which bears to the full amount the same proportion as the number of excluded days in the year bears to 365.
- (2) For the purposes of sub-paragraph (1) above a van is to be treated as being unavailable on any day if—

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- (a) the day falls before the first day on which the van is available to the employee,
 - (b) the day falls after the last day on which the van is available to the employee, or
 - (c) the day falls within a period, of 30 days or more, throughout which the van is not available to the employee.
- (3) For the purposes of sub-paragraph (1) above an excluded day is a day on which the van falls within paragraph (a) or (b) of that sub-paragraph.

Reduction for payments for use of van

- 3 (1) Where paragraph 1 above applies and in the year concerned the employee is required, as a condition of the van being available for his private use, to pay any amount of money (whether by way of deduction from his emoluments or otherwise) for that use, then—
- (a) if the amount ascertained under paragraphs 1 and 2 above exceeds the relevant sum, the cash equivalent of the benefit is an amount equal to the excess;
 - (b) if the relevant sum exceeds or is equal to the amount ascertained under paragraphs 1 and 2 above, the cash equivalent of the benefit is nil.
- (2) In sub-paragraph (1) above—
- (a) “the relevant sum” means the amount paid by the employee, as there mentioned, in respect of the year concerned, and
 - (b) the reference to the van being available for the employee’s private use includes a reference to the van being available for the private use of others being members of his family or household.
- (3) If the van is a shared van (within the meaning given by Part II of this Schedule) for part of the year concerned, the reference in sub-paragraph (2) above to the year shall be construed as a reference to the part of the year when the van is not a shared van.

PART II

SHARED VANS

Introduction

- 4 (1) This Part of this Schedule applies to a van for a year if it is a shared van for any period in the year.
- (2) A van is a shared van for a period if the period is one throughout which the van is available concurrently to more than one employee of the same employer.
- (3) A van is also a shared van for a period if—
- (a) the period is one throughout which the van is available to different employees of the same employer, but

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- (b) the circumstances are such that the employee or employees to whom the van is available at any given time in the period are not necessarily the same as the employee or employees to whom it is available at any other given time in the period.
- (4) But if the van is available to one employee only for a period exceeding 30 days (an exclusive period)—
- (a) the exclusive period shall not count towards any period that would otherwise fall within sub-paragraph (3) above;
 - (b) any period falling within sub-paragraph (3) above shall be treated as ending when the exclusive period begins (without prejudice to the start after the exclusive period of a further period falling within sub-paragraph (3) above).
- (5) If a van would (apart from this sub-paragraph) be treated as shared during part of a day it shall be treated as shared throughout the day.

Benefit to employee

- 5 (1) This paragraph applies where for any year this Part of this Schedule—
- (a) applies to a van, or
 - (b) applies to each of two or more vans made available by the same employer.
- (2) For the purposes of this paragraph a participating employee is an employee to whom—
- (a) the van is available for his private use while it is a shared van (where only one van is involved),
 - (b) one of the vans is available for his private use while it is a shared van (where more than one van is involved), or
 - (c) some or all of the vans are available for his private use while they are shared vans (where more than one van is involved);
- but an employee is not a participating employee unless he makes private use of the van, or (if more than one is involved) he makes private use of at least one of them, at least once while it is a shared van.
- (3) In sub-paragraph (2) above—
- (a) any reference to a van being available for an employee's private use includes a reference to the van being available for the private use of others being members of his family or household, and
 - (b) any reference to an employee making private use of a van includes a reference to a member of his family or household making private use of it.
- (4) This paragraph shall apply to each participating employee in the same way, irrespective of—
- (a) the number available to a particular employee of the vans involved;
 - (b) the fact that a particular van involved is or is not available to him or used by him;
 - (c) the extent to which a particular van involved is available to him or used by him.

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- (5) Where this paragraph applies—
- (a) find the basic value of the van for the year or (as the case may be) the basic value for the year of each van involved;
 - (b) take that basic value or (as the case may be) the aggregate of those basic values;
 - (c) find for each participating employee a portion of the figure taken under paragraph (b) above by dividing it equally among the participating employees.
- (6) The figure found for a participating employee shall be taken to be the cash equivalent of the benefit to him in the year of—
- (a) the van available to him while it is a shared van (where only one van is involved or only one of the vans involved is available to him), or
 - (b) the vans available to him while they are shared vans (where more than one van is involved and more than one of them is available to him).

Basic value

- 6 (1) Subject to sub-paragraph (2) below, the basic value of a van for a year is—
- (a) £500, if the van is aged less than 4 years at the end of the year concerned;
 - (b) £350, if the van is aged 4 years or more at the end of the year concerned.
- (2) Where for any part of the year—
- (a) the van is not a shared van, or
 - (b) the van is incapable of use,
- its basic value is the amount ascertained under sub-paragraph (1) above (the full value) reduced by an amount which bears to the full value the same proportion as the number of excluded days in the year bears to 365.
- (3) For the purposes of sub-paragraph (2) above a van is to be treated as being incapable of use on any day if the day falls within a period, of 30 days or more, throughout which the van is incapable of being used at all.
- (4) For the purposes of sub-paragraph (2) above an excluded day is a day on which the van falls within paragraph (a) or (b) of that sub-paragraph.

Limit of benefit

- 7 Where (apart from this paragraph) the figure found under paragraph 5 above for a participating employee for a year would exceed £500, the figure for the employee for the year shall be taken to be £500.

Alternative calculation

- 8 (1) In a case where—
- (a) a figure is found under paragraph 5 or 7 above for a participating employee for a year, and
 - (b) the employee makes a claim for this paragraph to be applied,

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the figure found for the employee for the year shall be taken to be the alternative figure found under this paragraph.

- (2) The alternative figure is a figure found by—
 - (a) taking for each van involved the number of relevant days;
 - (b) aggregating the numbers found under paragraph (a) above where more than one van is involved;
 - (c) multiplying the number found under paragraph (a) (or paragraphs (a) and (b)) above by £5.
- (3) For the purposes of sub-paragraph (2)(a) above a relevant day is a day which falls in the year and during which (or part of which) the employee, or a member of his family or household, makes private use of the van concerned while it is a shared van.
- (4) For the purposes of section 95 of the ^{M3}Taxes Management Act 1970 (incorrect return etc.) a claim under this paragraph shall be taken to be a claim for relief.

Reduction for payments for use

- 9 (1) Where this Part of this Schedule applies and in the year concerned a participating employee is required, as a condition of the van or vans being available for his private use, to pay any amount of money (whether by way of deduction from his emoluments or otherwise) for that use, then—
 - (a) if the figure found for the employee for the year under paragraph 5 or 7 or 8 above exceeds the relevant sum, the figure shall be taken to be a figure equal to the excess;
 - (b) if the relevant sum exceeds or is equal to the figure found for the employee for the year under paragraph 5 or 7 or 8 above, the figure shall be taken to be nil.
- (2) For the purposes of this paragraph the relevant sum shall be found by—
 - (a) taking for any van involved the amount paid by the employee, as a condition of it being available for his private use, in respect of the period when the van is a shared van in the year concerned, and
 - (b) where more than one van is involved, aggregating the amounts found under paragraph (a) above.
- (3) Any reference in this paragraph to a van being available for the employee's private use includes a reference to the van being available for the private use of others being members of his family or household.

PART III

GENERAL

Interaction of Parts I and II

- 10 (1) This paragraph applies where—
 - (a) a cash equivalent of the benefit of a van to an employee in a year is found under Part I of this Schedule, and

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- (b) a cash equivalent of the benefit of the same van (or of vans including the same van) to the employee in the year is found under Part II of this Schedule.
- (2) Once the different cash equivalents are so found, the employee shall be charged to tax as if the van concerned were different vans, one having a cash equivalent found under Part I of this Schedule and the other having (or counting towards) a cash equivalent found under Part II of this Schedule.

Limit of cash equivalent

- 11 In a case where—
- (a) the cash equivalent of the benefit of vans to an employee in a year would (apart from this paragraph) total more than £500, and
- (b) no more than one of the vans is available to him for his private use, or the private use of others being members of his family or household, at any one time in the year,
- the cash equivalent of the benefit of the vans to him in the year shall be £500.

Interpretation

- 12 For the purposes of this Schedule a van is available to an employee at a particular time if it is then made available, by reason of his employment and without any transfer of the property in it, either to him or to others being members of his family or household.”

Marginal Citations

M3 1970 c. 9.

- 8 This Schedule shall have effect for the year 1993-94 and subsequent years of assessment.

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