
Status: Point in time view as at 26/03/2015.

Changes to legislation: Income Tax (Earnings and Pensions) Act 2003, Cross Heading: Vans: benefit treated as earnings is up to date with all changes known to be in force on or before 08 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)



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

Vans: benefit treated as earnings

154 Benefit of van treated as earnings

If this Chapter applies to a van in relation to a particular tax year, the cash equivalent of the benefit of the van is to be treated as earnings from the employment for that year.

[^{F1}155 Cash equivalent of the benefit of a van

[^{F2}(1) The cash equivalent of the benefit of a van for a tax year is calculated as follows.

(1A) If the restricted private use condition is met in relation to the van for the tax year, the cash equivalent is nil.

(1B) If that condition is not met in relation to the van for the tax year—

- (a) if the van cannot in any circumstances emit CO₂ by being driven and the tax year is any of the tax years 2015-16 to 2019-20, the cash equivalent is the appropriate percentage of £3,150, and
- (b) in any other case, the cash equivalent is £3,150.

(1C) The appropriate percentage for the purposes of subsection (1B)(a) is—

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- (a) 20% for the tax year 2015-16,
 - (b) 40% for the tax year 2016-17,
 - (c) 60% for the tax year 2017-18,
 - (d) 80% for the tax year 2018-19, and
 - (e) 90% for the tax year 2019-20.]
- (4) The restricted private use condition is met in relation to a van for a tax year if—
- (a) the commuter use requirement is satisfied throughout the year (or the part of the year on which it is available to the employee) or the extent to which it is not satisfied during that period is insignificant, and
 - (b) the business travel requirement is satisfied throughout the year (or the part of the year on which it is available to the employee).
- (5) The commuter use requirement is satisfied at any time if—
- (a) the terms on which the van is available to the employee at the time prohibit its private use otherwise than for the purposes of ordinary commuting or travel between two places that is for practical purposes substantially ordinary commuting, and
 - (b) neither the employee nor a member of the employee’s family or household makes private use of the van at the time otherwise than for those purposes.
- (6) In subsection (5) “ordinary commuting” has the same meaning as in section 338 (travel for necessary attendance) (see subsection (3) of that section).
- (7) The business travel requirement is satisfied at a time if the van is available to the employee at the time mainly for use for the purposes of the employee’s business travel (see section 171(1)).
- (8) The cash equivalent of the van may be reduced—
- (a) under section 156 for any periods when the van is unavailable,
 - (b) under section 157 where the van is shared, and
 - (c) under section 158 in respect of payments by the employee for the private use of the van.]

Textual Amendments

- F1** Ss. 155-164 substituted for ss. 155-166 (with effect in accordance with s. 80(2) of the amending Act) by [Finance Act 2004 \(c. 12\)](#), [Sch. 14 para. 5](#)
- F2** S. 155(1)-(1C) substituted for s. 155(1)(2) (with effect in accordance with s. 10(8) of the amending Act) by [Finance Act 2015 \(c. 11\)](#), [s. 10\(2\)](#)

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