



# Income Tax (Earnings and Pensions) Act 2003

## 2003 CHAPTER 1

### PART 4

#### EMPLOYMENT INCOME: EXEMPTIONS

### CHAPTER 6

#### EXEMPTIONS: NON-CASH VOUCHERS AND CREDIT-TOKENS

*General exemptions: use for exempt benefits*

#### **266 Exemption of non-cash vouchers for exempt benefits**

- (1) No liability to income tax arises by virtue of Chapter 4 of Part 3 (taxable benefits: vouchers and credit-tokens) in respect of a non-cash voucher if or to the extent that the voucher is used to obtain anything the direct provision of which would fall within—
  - (a) section 237(1) (parking provision),
  - (b) section 246 (transport between home and work for disabled employees: general),
  - (c) section 247 (provision of cars for disabled employees),
  - (d) section 248 (transport home: late night working and failure of car-sharing arrangements), or
  - (e) section 265 (third party entertainment).
- (2) No liability to income tax arises by virtue of Chapter 4 of Part 3 (taxable benefits: vouchers and credit-tokens) in respect of a non-cash voucher if the voucher evidences the employee's entitlement to use anything the direct provision of which would fall within—
  - (a) section 242 (works transport services),

*Status: Point in time view as at 19/07/2006.*

*Changes to legislation: Income Tax (Earnings and Pensions) Act 2003, Cross Heading: General exemptions: use for exempt benefits is up to date with all changes known to be in force on or before 21 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)*

- (b) section 243 (support for public bus services), <sup>F1</sup>...
  - (c) section 244 (cycles and cyclist's safety equipment), [<sup>F2</sup>or
  - (d) section 319 (mobile telephones).]
- (3) No liability to income tax arises by virtue of Chapter 4 of Part 3 (taxable benefits: vouchers and credit-tokens) in respect of a non-cash voucher if the voucher can only be used to obtain anything the direct provision of which would fall within—
- (a) section 245 (travelling and subsistence during public transport strikes),
  - (b) section 261 (exemption of recreational benefits),
  - (c) section 264 (annual parties and functions),
  - (d) section 296 (armed forces' leave travel facilities), <sup>F3</sup>...
  - (e) section 317 (subsidised meals) [<sup>F4</sup>, or
  - (f) section 320A (eye tests and special corrective appliances).]
- (4) No liability to income tax arises by virtue of Chapter 4 of Part 3 (taxable benefits: vouchers and credit-tokens) in respect of a non-cash voucher if the voucher evidences the employee's entitlement to a benefit in respect of which no charge arises by virtue of Chapter 10 of Part 3 (taxable benefits: residual liability to charge) because of regulations under section 210 (power to exempt minor benefits).
- (5) For the purposes of this section direct provision is taken to fall within a section if it would do so if the employee were not in excluded employment.

#### Textual Amendments

- F1** Word in s. 266(2)(b) repealed (with effect for the year 2006-07 and subsequent years of assessment in accordance with s. 60(4)(5) of the amending Act) by [Finance Act 2006 \(c. 25\), Sch. 26 Pt. 3\(6\)](#)
- F2** S. 266(2)(d) and word inserted (with effect for the year 2006-07 and subsequent years of assessment in accordance with s. 60(4) of the amending Act) by [Finance Act 2006 \(c. 25\), s. 60\(1\)](#)
- F3** Word in s. 266(3)(d) repealed (with effect for the year 2006-07 and subsequent years of assessment in accordance with Sch. 26 Pt. 3(8) Note of the amending Act) by [Finance Act 2006 \(c. 25\), Sch. 26 Pt. 3\(8\)](#)
- F4** S. 266(3)(f) and word inserted (with effect for the year 2006-07 and subsequent years of assessment in accordance with s. 62(5) of the amending Act) by [Finance Act 2006 \(c. 25\), s. 62\(3\)](#)

## 267 Exemption of credit-tokens used for exempt benefits

- (1) No liability to income tax arises by virtue of Chapter 4 of Part 3 (taxable benefits: vouchers and credit-tokens) in respect of a credit-token if or to the extent that the token is used to obtain anything the direct provision of which—
- (a) would fall within one of the provisions specified in subsection (2), or
  - (b) would do so if the employee were not in excluded employment.
- (2) Those provisions are—
- (a) section 237(1) (parking provision),
  - (b) section 245 (travelling and subsistence during public transport strikes),
  - (c) section 246 (transport between home and work for disabled employees: general),
  - (d) section 247 (provision of cars for disabled employees),

---

**Status:** Point in time view as at 19/07/2006.

**Changes to legislation:** Income Tax (Earnings and Pensions) Act 2003, Cross Heading: General exemptions: use for exempt benefits is up to date with all changes known to be in force on or before 21 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)

---

- (e) section 248 (transport home: late night working and failure of car-sharing arrangements),<sup>F5</sup> ...
- (f) section 265 (third party entertainment).
- [<sup>F6</sup>(g) section 319 (mobile telephones).][<sup>F7</sup>, and
- (h) section 320A (eye tests and special corrective appliances).]

#### Textual Amendments

- F5** Word in s. 267(2)(e) repealed (with effect for the year 2006-07 and subsequent years of assessment in accordance with s. 60(4)(5) of the amending Act) by [Finance Act 2006 \(c. 25\)](#), [Sch. 26 Pt. 3\(6\)](#)
- F6** S. 267(2)(g) inserted (with effect for the year 2006-07 and subsequent years of assessment in accordance with s. 60(4) of the amending Act) by [Finance Act 2006 \(c. 25\)](#), [s. 60\(2\)](#)
- F7** S. 267(2)(h) and word inserted (with effect for the year 2006-07 and subsequent years of assessment in accordance with s. 62(5) of the amending Act) by [Finance Act 2006 \(c. 25\)](#), [s. 62\(4\)](#)

**Status:**

Point in time view as at 19/07/2006.

**Changes to legislation:**

Income Tax (Earnings and Pensions) Act 2003, Cross Heading: General exemptions: use for exempt benefits is up to date with all changes known to be in force on or before 21 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.