



# Income Tax (Earnings and Pensions) Act 2003

## 2003 CHAPTER 1

### PART 4

#### EMPLOYMENT INCOME: EXEMPTIONS

### CHAPTER 8

#### EXEMPTIONS: SPECIAL KINDS OF EMPLOYEES

##### *Ministers of religion*

#### **290 Accommodation benefits of ministers of religion**

- (1) No liability to income tax in respect of a person employed as a full-time minister arises by virtue of—
  - (a) the payment or reimbursement of a statutory amount payable in connection with qualifying premises, or
  - (b) the reimbursement of a statutory deduction made in connection with qualifying premises.
- (2) No liability to income tax in respect of a person employed as a full-time minister arises by virtue of the payment or reimbursement of expenses incurred in connection with providing living accommodation in qualifying premises if the employment is [<sup>F1</sup>lower-paid employment as a minister of religion (see section 290D)].
- (3) Subsection (1) does not apply if or to the extent that the amount or deduction is properly attributable to a part of the premises for which the minister receives rent.
- (4) Premises are qualifying premises in relation to a person employed as a minister if—
  - (a) an interest in them belongs to a charity or an ecclesiastical corporation, and

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- (b) because of that interest and by reason of holding the employment, the minister has a residence in them from which to perform the duties of the employment.

(5) In this section—

F2  
...

“full-time minister” means a person in full-time employment as a minister of a religious denomination,

“statutory amount” means an amount paid in pursuance of a provision in, or having the force of, an Act, and

“statutory deduction” means a deduction made in pursuance of such a provision.

#### Textual Amendments

**F1** Words in s. 290(2) substituted (with effect in accordance with s. 13(4) of the amending Act) by [Finance Act 2015 \(c. 11\)](#), [Sch. 1 para. 18](#)

**F2** Words in s. 290(5) omitted (coming into force for the tax year 2012-13 and subsequent tax years) by virtue of [Finance Act 2010 \(c. 13\)](#), [Sch. 6 paras. 17\(5\), 34\(2\)](#); [S.I. 2012/736](#), [art. 13](#)

#### [<sup>F3</sup>290A Accommodation outgoings of [<sup>F4</sup>lower-paid] ministers of religion

(1) No liability to income tax arises in respect of a person in lower-paid employment as a minister of [<sup>F5</sup>religion] by virtue of the payment or reimbursement of accommodation outgoings.

(2) Subsection (1) does not apply if the minister is paid an allowance intended to be used, wholly or in part, for paying accommodation outgoings (as to which see section 290B).

(3) In this section—

“accommodation outgoings” means amounts incurred by the minister in—

(a) heating, lighting or cleaning qualifying premises; or

(b) maintaining a garden forming part of qualifying premises;

F6  
...

“qualifying premises” has the same meaning as in section 290.

#### Textual Amendments

**F3** Ss. 290A, 290B inserted (with effect in accordance with art. 2(4) of the amending S.I.) by [The Enactment of Extra-Statutory Concessions Order 2010 \(S.I. 2010/157\)](#), [arts. 1, 2\(3\)](#)

**F4** Words in s. 290A heading inserted (with effect in accordance with s. 13(4) of the amending Act) by [Finance Act 2015 \(c. 11\)](#), [Sch. 1 para. 19\(c\)](#)

**F5** Word in s. 290A(1) substituted (with effect in accordance with s. 13(4) of the amending Act) by [Finance Act 2015 \(c. 11\)](#), [Sch. 1 para. 19\(a\)](#)

**F6** Words in s. 290A(3) omitted (with effect in accordance with s. 13(4) of the amending Act) by virtue of [Finance Act 2015 \(c. 11\)](#), [Sch. 1 para. 19\(b\)](#)

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## **290B Allowances paid to <sup>F7</sup>lower-paid] ministers of religion in respect of accommodation outgoings**

- (1) This section applies where a person in lower-paid employment as a minister of <sup>F8</sup>religion] is paid an allowance intended to be used, wholly or in part, for paying accommodation outgoings.
- (2) No liability to tax arises by virtue of the payment of the allowance to the extent that it is used for paying accommodation outgoings.
- (3) In this section—
  - “accommodation outgoings” <sup>F9</sup>has the same meaning] as in section 290A;
  - “qualifying premises” has the same meaning as in section 290.]

### **Textual Amendments**

- F3** Ss. 290A, 290B inserted (with effect in accordance with art. 2(4) of the amending S.I.) by [The Enactment of Extra-Statutory Concessions Order 2010 \(S.I. 2010/157\)](#), arts. 1, **2(3)**
- F7** Words in s. 290B heading inserted (with effect in accordance with s. 13(4) of the amending Act) by [Finance Act 2015 \(c. 11\)](#), **Sch. 1 para. 20(c)**
- F8** Word in s. 290B(1) substituted (with effect in accordance with s. 13(4) of the amending Act) by [Finance Act 2015 \(c. 11\)](#), **Sch. 1 para. 20(a)**
- F9** Words in s. 290B(3) substituted (with effect in accordance with s. 13(4) of the amending Act) by [Finance Act 2015 \(c. 11\)](#), **Sch. 1 para. 20(b)**

## **<sup>F10</sup>290C Provisions of benefits code not applicable to lower-paid ministers of religion**

- (1) This section applies where a person is in employment which is lower-paid employment as a minister of religion in relation to a tax year.
- (2) No liability to income tax arises in respect of the person in relation to the tax year by virtue of any of the following Chapters of the benefits code—
  - (a) Chapter 3 (taxable benefits: expenses payments);
  - (b) Chapter 6 (taxable benefits: cars, vans and related benefits);
  - (c) Chapter 7 (taxable benefits: loans);
  - (d) Chapter 10 (taxable benefits: residual liability to charge).
- (3) Subsection (2)—
  - (a) means that in any of those Chapters a reference to an employee does not include an employee whose employment is within the exclusion in that subsection, if the context is such that the reference is to an employee in relation to whom the Chapter applies, but
  - (b) does not restrict the meaning of references to employees in other contexts.
- (4) Subsection (2) has effect subject to—
  - (a) section 188(2) (discharge of loan: where employment becomes lower-paid), and
  - (b) section 290G (employment in two or more related employments).

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### Textual Amendments

**F10** Ss. 290C-290G inserted (with effect in accordance with s. 13(4) of the amending Act) by [Finance Act 2015 \(c. 11\), s. 13\(2\)](#)

## 290D Meaning of “lower-paid employment as a minister of religion”

- (1) For the purposes of this Part an employment is “lower-paid employment as a minister of religion” in relation to a tax year if—
- (a) the employment is direct employment as a minister of a religious denomination, and
  - (b) the earnings rate for the employment for the year (calculated under section 290E) is less than £8,500.
- (2) An employment is not “direct employment” for the purposes of subsection (1)(a) if—
- (a) it is an employment which is treated as existing under—
    - (i) section 56(2) (deemed employment of worker by intermediary), or
    - (ii) section 61G(2) (deemed employment of worker by managed service company), or
  - (b) an amount counts as employment income in respect of it by virtue of section 554Z2(1) (treatment of relevant step under Part 7A (employment income provided through third parties)).
- (3) Subsection (1) is subject to section 290G.

### Textual Amendments

**F10** Ss. 290C-290G inserted (with effect in accordance with s. 13(4) of the amending Act) by [Finance Act 2015 \(c. 11\), s. 13\(2\)](#)

## 290E Calculation of earnings rate for a tax year

- (1) For any tax year the earnings rate for an employment is to be calculated as follows—
- Step 1* Find the total of the following amounts—
- (a) the total amount of the earnings from the employment for the year within Chapter 1 of Part 3 (earnings),
  - (b) the total of any amounts that are treated as earnings from the employment for the year under the benefits code (see subsections (2) and (3)), and
  - (c) the total of any amounts that are treated as earnings from the employment for the year under Chapter 12 of Part 3 (other amounts treated as earnings),
- excluding any exempt income, other than any attributable to section 290A or 290B (accommodation outgoings of ministers of religion).
- Step 2* Add to that total any extra amount required to be added for the year by section 290F (extra amounts to be added in connection with a car).
- Step 3* Subtract the total amount of any authorised deductions (see subsection (4)) from the result of step 2.

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*Step 4* The earnings rate for the employment for the year is given by the formula—

$$R \times Y E$$

where—

R is the result of step 3,

Y is the number of days in the year, and

E is the number of days in the year when the employment is held.

- (2) Section 290C(2) (provisions of benefits code not applicable to lower-paid ministers of religion) is to be disregarded for the purpose of determining any amount under step 1.
- (3) If the benefit of living accommodation is to be taken into account under step 1, the cash equivalent is to be calculated in accordance with section 105 (even if the cost of providing the accommodation exceeds £75,000).
- (4) For the purposes of step 3 “authorised deduction” means any deduction that would (assuming it was an amount of taxable earnings) be allowed from any amount within step 1 under—
  - section 346 (employee liabilities),
  - section 370 (travel costs and expenses where duties performed abroad: employee's travel),
  - section 371 (travel costs and expenses where duties performed abroad: visiting spouse's, civil partner's or child's travel),
  - section 373 (non-domiciled employee's travel costs and expenses where duties performed in UK),
  - section 374 (non-domiciled employee's spouse's, civil partner's or child's travel costs and expenses where duties performed in UK),
  - section 376 (foreign accommodation and subsistence costs and expenses (overseas employments)),
  - section 713 (payroll giving to charities),
  - sections 188 to 194 of FA 2004 (contributions to registered pension schemes), or
  - section 262 of CAA 2001 (capital allowances to be given effect by treating them as deductions).

#### Textual Amendments

- F10** Ss. 290C-290G inserted (with effect in accordance with s. 13(4) of the amending Act) by [Finance Act 2015 \(c. 11\)](#), [s. 13\(2\)](#)

#### **290F** Extra amounts to be added in connection with a car

- (1) The provisions of this section apply for the purposes of section 290E in the case of a tax year in which a car is made available as mentioned in section 114(1) (cars, vans and related benefits) by reason of the employment.
- (2) Subsection (3) applies if in the tax year—
  - (a) an alternative to the benefit of the car is offered, and

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- (b) the amount that would be earnings within Chapter 1 of Part 3 if the benefit of the car were to be determined by reference to the alternative offered exceeds the benefit code earnings (see subsection (4)).
- (3) The amount of the excess is an extra amount to be added under step 2 in section 290E(1).
- (4) For the purposes of subsection (2) “the benefit code earnings” is the total for the year of—
  - (a) the cash equivalent of the benefit of the car (calculated in accordance with Chapter 6 of Part 3 (taxable benefits: cars, vans etc)), and
  - (b) the cash equivalent (calculated in accordance with that Chapter) of the benefit of any fuel provided for the car by reason of the employment.
- (5) Section 290C(2) (provisions of benefits code not applicable to lower-paid ministers of religion) is to be disregarded for the purpose of determining any amount under this section.

#### Textual Amendments

**F10** Ss. 290C-290G inserted (with effect in accordance with s. 13(4) of the amending Act) by [Finance Act 2015 \(c. 11\), s. 13\(2\)](#)

### 290G Related employments

- (1) This section applies if a person is employed in two or more related employments.
- (2) None of the employments is to be regarded as lower-paid employment as a minister of religion in relation to a tax year if—
  - (a) the total of the earnings rates for the employments for the year (calculated in each case under section 290E) is £8,500 or more, or
  - (b) any of them is an employment falling outside the exclusion contained in section 290C(2) (provisions of benefits code not applicable to lower-paid ministers of religion).
- (3) For the purposes of this section two employments are “related” if—
  - (a) both are with the same employer, or
  - (b) one is with a body or partnership (“A”) and the other is either—
    - (i) with an individual, partnership or body that controls A (“B”), or
    - (ii) with another partnership or body also controlled by B.
- (4) Section 69 (extended meaning of “control”) applies for the purposes of this section as it applies for the purposes of the benefits code.]

#### Textual Amendments

**F10** Ss. 290C-290G inserted (with effect in accordance with s. 13(4) of the amending Act) by [Finance Act 2015 \(c. 11\), s. 13\(2\)](#)

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*MPs, government ministers etc.*

## 291 Termination payments to MPs and others ceasing to hold office

- (1) No liability to income tax in respect of earnings arises by virtue of any grant or payment to which this section applies (but see Chapter 3 of Part 6: payments and benefits on termination of employment etc.).
- (2) This section applies to grants and payments—
- <sup>F11</sup>(a) made under section 5(1) of the Parliamentary Standards Act 2009 in connection with a person's ceasing to be a member of the House of Commons,]
  - (b) made under section 4 of the Ministerial and other Pensions and Salaries Act 1991 (c. 5) (grants to persons ceasing to hold certain ministerial and other offices),
  - (c) made under section 3 of the European Parliament (Pay and Pensions) Act 1979 (c. 50) (resettlement grants for persons ceasing to be Representatives), [<sup>F12</sup>or under Article 13 of the Statute for Members of the European Parliament (transitional allowances),]
  - (d) made under section 81(3) of the Scotland Act 1998 (c. 46) to a person—
    - (i) ceasing to be a member of the Scottish Parliament on its dissolution, or
    - (ii) ceasing to hold an office corresponding to a relevant office,
  - <sup>F13</sup>(e) made under section 20(3) of the Government of Wales Act 2006 to a person—
    - (i) ceasing to be a member of the National Assembly for Wales; or
    - (ii) ceasing to hold office as the Presiding Officer, Deputy Presiding Officer, or such other office in connection with the Assembly as the Assembly may determine, but continuing to be an Assembly Member,
  - (ea) made under section 53(3) of the Government of Wales Act 2006 to a person ceasing to be a member of the Welsh Assembly Government<sup>F14</sup>...]
  - (f) made under section 48(1) of the Northern Ireland Act 1998 (c. 47) to a person—
    - (i) ceasing to be a member of the Northern Ireland Assembly on its dissolution, or
    - (ii) ceasing to hold an office corresponding to a relevant office<sup>F15</sup>, or
  - (g) made under section 26A of the Greater London Authority Act 1999 (payments on ceasing to hold office as Mayor of London or as a member of the London Assembly).]
- (3) In this section “a relevant office” has the same meaning as in section 4 of the Ministerial and other Pensions and Salaries Act 1991.

### Textual Amendments

- F11** S. 291(2)(a) substituted (with effect in accordance with s. 15(2) of the amending Act) by [Finance Act 2012 \(c. 14\), s. 15\(1\)](#)
- F12** Words in s. 291(2)(c) inserted (with effect in accordance with s. 56(3) of the amending Act) by [Finance Act 2009 \(c. 10\), s. 56\(2\)](#)
- F13** S. 291(2)(e)(ea) substituted for s. 291(2)(e) (25.5.2007) by [The Government of Wales Act 2006 \(Consequential Modifications and Transitional Provisions\) Order 2007 \(S.I. 2007/1388\), Sch. 1 para. 102](#)

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- F14** Word in s. 291(2)(ea) omitted (with effect in accordance with s. 52(4) of the amending Act) by virtue of [Finance Act 2008 \(c. 9\), s. 52\(2\)](#)
- F15** S. 291(2)(g) and word inserted (with effect in accordance with s. 52(4) of the amending Act) by [Finance Act 2008 \(c. 9\), s. 52\(3\)](#)

## **[<sup>F16</sup>292 Accommodation expenses of MPs**

- (1) No liability to income tax arises in respect of a payment made to a member of the House of Commons under section 5(1) of the Parliamentary Standards Act 2009 if the payment is—
  - (a) expressed to be made in respect of accommodation expenses, or
  - (b) related to or in consequence of a payment expressed to be so made.
- (2) “Accommodation expenses” means expenses necessarily incurred on overnight accommodation that is required for the performance of the member's parliamentary duties in or about the Palace of Westminster or the member's constituency.
- (3) But the cost of an overnight stay in a hotel that was required only because, on that night, the member had been required to be at the House of Commons because the House was sitting late does not count as accommodation expenses for the purposes of this section, unless the member had been required to be at the House because it was sitting beyond 1 a.m.
- (4) Subsection (1) does not apply to a loan for a deposit payable at the commencement of a tenancy.
- [<sup>F17</sup>(5) The reference in subsection (1) to a payment made to a member of the House of Commons under section 5(1) of the Parliamentary Standards Act 2009 includes a payment made under that section to another person at the direction of a member (see section 6(7) of that Act).]

### **Textual Amendments**

- F16** S. 292 substituted (with effect in accordance with Sch. 4 para. 1(4)(5) of the amending Act) by [Finance \(No. 2\) Act 2010 \(c. 31\), Sch. 4 para. 1\(2\)](#)
- F17** S. 292(5) inserted (with effect in accordance with s. 37(2) of the amending Act) by [Finance Act 2011 \(c. 11\), s. 37\(1\)](#)

## **293 Overnight expenses of other elected representatives**

- (1) No liability to income tax arises in respect of a payment to which this section applies if it is expressed to be made in respect of a member's necessary overnight expenses.
- (2) This section applies to payments—
  - (a) made to members of the Scottish Parliament under section 81(2) of the Scotland Act 1998 (c. 46),
  - (b) made to members of the National Assembly for Wales under [<sup>F18</sup>section 20(2) of the Government of Wales Act 2006 or to a member of the Welsh Assembly Government under section 53(2) of that Act], or
  - (c) made to members of the Northern Ireland Assembly under section 47(2) of the Northern Ireland Act 1998 (c. 47).



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- (3) In this section “a member’s necessary overnight expenses” means additional expenses necessarily incurred by a member for the purpose of performing duties as a member in staying overnight away from the member’s only or main residence—
- (a) in the area in which the Parliament or Assembly to which the member belongs sits, or
  - (b) in the constituency or region which the member represents.

#### Textual Amendments

**F18** Words in s. 293(2)(b) substituted (25.5.2007) by [The Government of Wales Act 2006 \(Consequential Modifications and Transitional Provisions\) Order 2007 \(S.I. 2007/1388\)](#), **Sch. 1 para. 103**

### [<sup>F19</sup>293AUK travel and subsistence expenses of MPs

- (1) No liability to income tax arises in respect of a payment made to a member of the House of Commons under section 5(1) of the Parliamentary Standards Act 2009 if the payment is expressed to be made—
- (a) in respect of relevant UK travel expenses, or
  - (b) in respect of relevant subsistence expenses.
- (2) “Relevant UK travel expenses” means expenses necessarily incurred on journeys of the following kinds within the United Kingdom—
- (a) journeys made by the member that are necessary for the performance of the member's parliamentary duties, and
  - (b) if the member shares caring responsibilities with a spouse or partner, journeys made by the spouse or partner between the member's London Area residence and the member's constituency residence.
- (3) “Relevant subsistence expenses” means expenses necessarily incurred on an evening meal (excluding alcoholic drinks) eaten on the Parliamentary Estate, where the member is required to be at the House of Commons because the House is sitting beyond 7.30 p.m.
- (4) “Caring responsibilities” and “London Area” have the same meaning in subsection (2) (b) as they have in the scheme in effect for the time being under section 5 of the Parliamentary Standards Act 2009.]

#### Textual Amendments

**F19** S. 293A inserted (with effect in accordance with Sch. 4 para. 2(2)(3) of the amending Act) by [Finance \(No. 2\) Act 2010 \(c. 31\)](#), **Sch. 4 para. 2(1)**

### [<sup>F20</sup>293BUK travel expenses of other elected representatives

- (1) No liability to income tax arises in respect of a payment to which this section applies if it is expressed to be made in respect of relevant UK travel expenses.
- (2) This section applies to payments—
- (a) made to members of the Scottish Parliament under section 81(2) of the Scotland Act 1998,

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- (b) made to members of the National Assembly for Wales under section 20(2) of the Government of Wales Act 2006 or to a member of the Welsh Assembly Government under section 53(2) of that Act, or
  - (c) made to members of the Northern Ireland Assembly under section 47(2) of the Northern Ireland Act 1998.
- (3) In this section “relevant UK travel expenses” means expenses necessarily incurred on journeys of the following kinds within the United Kingdom—
- (a) journeys within subsection (4) made by the member that are necessary for the performance of his or her duties as a member;
  - (b) if the member shares caring responsibilities with a spouse or partner, journeys made by the spouse or partner between the constituency or region and the member's parliamentary home.
- (4) The journeys referred to in subsection (3)(a) are those—
- (a) between the constituency or region and the Parliament or Assembly to which the member belongs,
  - (b) between the constituency or region and the member's parliamentary home, or
  - (c) within the constituency or region, but not excluded by subsection (5).
- (5) A journey is excluded if—
- (a) in the case of a member who has only one local office, it is between the member's local home and that office, and
  - (b) in any other case, it is between the member's local home and the principal local office.
- (6) In this section—
- “constituency or region”, in relation to a member, means the constituency or region which the member represents and the area within 20 miles of the boundary of that constituency or region;
- “local office”, in relation to a member, means an office which is situated in the constituency or region and occupied by the member for the purposes of performing duties as a member;
- “the member's local home” means a residence of the member situated in the constituency or region;
- “the member's parliamentary home” means the member's only or main residence in the area comprising—
- (a) the main site of the Parliament or Assembly to which the member belongs, and
  - (b) the area within 20 miles of that site;
- “principal local office”, in relation to a member, means the local office most frequently occupied by the member for the purposes of performing duties as a member.
- (7) A person has “caring responsibilities” if the person—
- (a) has parental responsibility for a dependent child aged under 17 or for a child aged 17 or 18 who is in full-time education, or
  - (b) is the primary carer for a family member in receipt of—
    - (i) attendance allowance,
    - (ii) disability living allowance at the middle or highest rate for personal care,

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- (iii) the daily living component of personal independence payment, or
- (iv) constant attendance allowance at or above the maximum rate with an industrial injuries disablement benefit, or the basic (full day) rate with a war disablement pension.

(8) The Treasury may by order amend the definition of “caring responsibilities” in subsection (7).]

#### Textual Amendments

**F20** S. 293B inserted (with effect in accordance with s. 10(2) of the amending Act) by [Finance Act 2013 \(c. 29\), s. 10\(1\)](#)

#### [<sup>F22</sup>294 [<sup>F21</sup>European] travel expenses of MPs and other representatives

- (1) No liability to income tax arises in respect of a sum that is paid to—
- (a) a member of the House of Commons under section 5(1) of the Parliamentary Standards Act 2009,
  - (b) a member of the Scottish Parliament under section 81(2) of the Scotland Act 1998,
  - (c) a member of the National Assembly for Wales under section 20(2) of the Government of Wales Act 2006 or a member of the Welsh Assembly Government under section 53(2) of that Act, or
  - (d) a member of the Northern Ireland Assembly under section 47(2) of the Northern Ireland Act 1998,
- and expressed to be made in respect of European travel expenses.]

[<sup>F23</sup>(2) “European travel expenses” means the cost of, and any additional expenses incurred in, travelling between the United Kingdom and a relevant European location.

- (3) “Relevant European location” means—
- (a) a European Union institution or agency, or
  - (b) the national parliament of—
    - (i) another member State,
    - (ii) a candidate or applicant country, or
    - (iii) [<sup>F24</sup>any other country that is a member of the Council of Europe.]

- (4) The Treasury may by order amend subsection (3) by—
- (a) adding a European location,
  - (b) removing a European location, or
  - (c) varying the description of a European location.]

#### Textual Amendments

**F21** Word in s. 294 heading substituted (with effect in accordance with s. 82(5) of the amending Act) by [Finance Act 2004 \(c. 12\), s. 82\(4\)](#)

**F22** S. 294(1) substituted (with effect in accordance with Sch. 4 para. 1(4)(5) of the amending Act) by [Finance \(No. 2\) Act 2010 \(c. 31\), Sch. 4 para. 3\(2\)](#)

**F23** S. 294(2)-(4) substituted (with effect in accordance with s. 82(5) of the amending Act) by [Finance Act 2004 \(c. 12\), s. 82\(3\)](#)

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**F24** S. 294(3)(b)(iii) substituted (with effect in accordance with Sch. 4 para. 3(4)(5) of the amending Act) by [Finance \(No. 2\) Act 2010 \(c. 31\)](#), [Sch. 4 para. 3\(3\)](#)

## **295 Transport and subsistence for Government ministers etc.**

- (1) No liability to income tax arises in respect of the provision of transport or subsistence provided or made available by or on behalf of the Crown to—
  - (a) the holder of a ministerial office, or
  - (b) a member of the family or household of the holder of a ministerial office.
- (2) No liability to income tax arises in respect of payments and reimbursements by or on behalf of the Crown of expenses incurred in connection with the provision of transport or subsistence to a person within subsection (1).
- (3) “Ministerial office” means—
  - (a) an office in Her Majesty’s Government in the United Kingdom,
  - (b) any other office which is one of the offices and positions in respect of which salaries are payable under section 1 of the Ministerial and other Salaries Act 1975 (c. 27), and
  - (c) an office under one of the following Acts which corresponds to an office within paragraph (a) or (b)—
    - (i) the Scotland Act 1998 (c. 46),
    - (ii) [<sup>F25</sup>the Government of Wales Act 2006], or
    - (iii) the Northern Ireland Act 1998 (c. 47).
- (4) In determining whether a particular person holds an office within subsection (3)(b), it is irrelevant whether or not a salary is paid or payable to that person under the Ministerial and other Salaries Act 1975.
- (5) In this section references to the provision of transport to a person include references to—
  - (a) the provision or making available to that person of a vehicle with or without a driver,
  - (b) the provision of fuel for a vehicle provided or made available to that person, and
  - (c) the provision of any other benefit in connection with such a vehicle.
- (6) In this section—
  - (a) “subsistence” includes food and drink and temporary living accommodation, and
  - (b) “vehicle” means a mechanically propelled road vehicle.

### **Textual Amendments**

**F25** Words in s. 295(3)(c)(ii) substituted (25.5.2007) by [The Government of Wales Act 2006 \(Consequential Modifications and Transitional Provisions\) Order 2007 \(S.I. 2007/1388\)](#), [Sch. 1 para. 105](#)

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## *<sup>F26</sup>Members of local authorities etc*

### **Textual Amendments**

**F26** S. 295A and cross-heading inserted (with effect in accordance with s. 29(7) of the amending Act) by [Finance \(No. 2\) Act 2015 \(c. 33\), s. 29\(5\)](#)

### **295A Travel expenses of members of local authorities etc**

- (1) No liability to income tax arises in respect of a qualifying payment made to a member of a relevant authority for travel expenses incurred by the member if—
  - (a) the payment is for expenses other than those related to the member's use of a vehicle to which Chapter 2 applies, and
  - (b) the expenses are not excluded by subsection (2).
- (2) Expenses are excluded by this subsection if—
  - (a) they are incurred on a journey between the member's home and permanent workplace, and
  - (b) the member's home is situated more than 20 miles outside the boundary of the area of the relevant authority.
- (3) In this section “permanent workplace” has the same meaning as in Part 5 (see section 339).
- (4) The Treasury may by regulations—
  - (a) provide for bodies specified in the regulations (which must be local authorities or bodies that have similar or related functions or purposes) to be relevant authorities for the purposes of this section,
  - (b) provide for references in this section to a member of a relevant authority to be read as references to a member of a description prescribed in the regulations, and
  - (c) define what is meant by “qualifying payment” for the purposes of this section.
- (5) The regulations may contain transitional provision and savings.]

## *Armed forces*

### **296 Armed forces' leave travel facilities**

- (1) No liability to income tax arises in respect of—
  - (a) the provision of travel facilities for a member of the armed forces of the Crown going on or returning from leave, or
  - (b) a payment made in respect of such travel.
- (2) In subsection (1) “travel facilities” does not include a vehicle.

### **297 Armed forces' food, drink and mess allowances**

- (1) No liability to income tax arises in respect of allowances if—
  - (a) they are payable out of the public revenue to any description of members of the armed forces of the Crown, and

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- (b) the Treasury certifies that they are payable to them instead of food or drink normally supplied to members of the armed forces.
- (2) No liability to income tax arises in respect of allowances if—
  - (a) they are payable out of the public revenue in respect of any description of members of the armed forces of the Crown, and
  - (b) the Treasury certifies that they are so payable as a contribution to the expenses of a mess.

### **[<sup>F27</sup>297A Armed forces: the Operational Allowance**

- (1) No liability to income tax arises in respect of payments to members of the armed forces of the Crown of the Operational Allowance.
- (2) The Operational Allowance is an allowance designated as such [<sup>F28</sup>under a Royal Warrant made under section 333 of the Armed Forces Act 2006] .]

#### **Textual Amendments**

- F27** S. 297A inserted (with effect in accordance with s. 64(2) of the amending Act) by [Finance Act 2007 \(c. 11\), s. 64\(1\)](#)
- F28** Words in s. 297A(2) substituted (with effect in accordance with s. 16(5) of the amending Act) by [Finance Act 2012 \(c. 14\), s. 16\(2\)](#)

### **[<sup>F29</sup>297B Armed forces: the Council Tax Relief**

- (1) No liability to income tax arises in respect of payments of the Council Tax Relief to members of the armed forces of the Crown.
- (2) Payments of the Council Tax Relief are payments designated as such [<sup>F30</sup>under a Royal Warrant made under section 333 of the Armed Forces Act 2006] .]

#### **Textual Amendments**

- F29** S. 297B inserted (with effect in accordance with s. 51(2) of the amending Act) by [Finance Act 2008 \(c. 9\), s. 51\(1\)](#)
- F30** Words in s. 297B(2) substituted (with effect in accordance with s. 16(5) of the amending Act) by [Finance Act 2012 \(c. 14\), s. 16\(3\)](#)

### **[<sup>F31</sup>297C Armed forces: Continuity of Education Allowance**

- (1) No liability to income tax arises in respect of payments of the Continuity of Education Allowance to or in respect of members of the armed forces of the Crown during their employment under the Crown or after their deaths.
- (2) The Continuity of Education Allowance is an allowance designated as such under a Royal Warrant made under section 333 of the Armed Forces Act 2006.]

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### Textual Amendments

- F31** S. 297C inserted (with effect in accordance with s. 16(5) of the amending Act) by [Finance Act 2012 \(c. 14\)](#), s. 16(4)

## 298 Reserve and auxiliary forces' training allowances

No liability to income tax arises in respect of the following sums if they are payable out of the public revenue to members of the reserve and auxiliary forces of the Crown—

- (a) training expenses allowances, and
- (b) bounties payable in consideration of the members undertaking certain training and attaining a particular standard of efficiency.

*Crown employees*

## 299 Crown employees' foreign service allowances

- (1) No liability to income tax arises in respect of an allowance paid to a person in employment under the Crown if it is certified to represent compensation for the extra cost of being obliged to live outside the United Kingdom in order to perform the duties of the employment.
- (2) A certificate under subsection (1) may only be given by—
  - (a) the Treasury,
  - (b) the Secretary of State,
  - (c) the Lord Chancellor,
  - (d) the Chancellor of the Exchequer,
  - (e) the Minister for the Civil Service,
  - (f) the Lord President of the Council,
  - (g) the Lord Privy Seal, or
  - (h) the Attorney General.

*Consuls, foreign agents etc.*

## 300 Consuls

- (1) No liability to income tax arises in respect of income arising from the office of a consul in the United Kingdom in the service of a foreign state.
- (2) Such income is also to be disregarded in estimating the amount of income for any income tax purposes.
- (3) In this section “consul” means a person recognised by Her Majesty as being a consul-general, consul, vice-consul or consular agent.

## 301 Official agents

- (1) No liability to income tax arises in respect of income arising from employment as an official agent in the United Kingdom for a foreign state if conditions A and B are met.

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- (2) Condition A is that the employee is neither—
  - (a) a Commonwealth citizen, nor
  - (b) a citizen of the Republic of Ireland.
- (3) Condition B is that the functions of the employment are not exercised in connection with a trade, business or other undertaking carried on for the purposes of profit.
- (4) Such income is also to be disregarded in estimating the amount of income for any income tax purposes.
- (5) In this section “official agent” means a person who is not a consul (as defined in section 300) but is employed on the staff of—
  - (a) a consulate, or
  - (b) an official department or agency of a foreign state.
- (6) Subsection (5)(b) does not apply to a department or agency which carries on a trade, business or other undertaking for the purposes of profit.

### **302 Consular employees**

- (1) No liability to income tax arises in respect of income arising from employment in the United Kingdom as a consular employee for a foreign state if—
  - (a) Her Majesty by Order in Council directs that this section applies to the foreign state for the purpose of giving effect to a reciprocal arrangement with that state, and
  - (b) condition A or B is met.
- (2) Condition A is that the employee is a national of the foreign state.
- (3) Condition B is that the employee is not a British citizen, a British overseas territories citizen, a British National (Overseas) or a British Overseas citizen.
- (4) In this section—
 

“consular employee” includes any person employed for the purposes of the official business of a consular officer at—

  - (a) any consulate,
  - (b) any consular establishment, or
  - (c) any other premises used for those purposes, and

“reciprocal arrangement” means a consular convention or other arrangement with a foreign state, making similar provision to that made by this section [<sup>F32</sup>, sections 646A and 681A of this Act and section 771 of ITTOIA 2005 (relevant foreign income of consular officers and employees)] in the case of Her Majesty’s consular officers or employees in that state.
- (5) An Order in Council under subsection (1) may limit the operation of this section in relation to a state in any way appearing to Her Majesty necessary or expedient having regard to the arrangement with the state.
- (6) Such an Order—
  - (a) may be made so as to have effect from a date earlier than that on which it is made, but not earlier than the arrangement in question comes into force, and
  - (b) may contain such transitional provisions as appear to Her Majesty necessary or expedient.



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- (7) A statutory instrument containing such an Order is subject to annulment in pursuance of a resolution of the House of Commons.
- (8) This section does not affect section 301 (official agents).

#### Textual Amendments

**F32** Words in s. 302(4) substituted (6.4.2005) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), s. 883(1), [Sch. 1 para. 591](#) (with [Sch. 2](#))

### *Visiting forces and staff of designated allied headquarters*

#### **303 Visiting forces [<sup>F33</sup> etc]**

- (1) No liability to income tax arises in respect of earnings if—
  - (a) they are paid by the government of a designated country to a member of a visiting force of that country or of a civilian component of such a force, and
  - (b) that person is not a British citizen, a British overseas territories citizen, a British National (Overseas) or a British Overseas citizen.
- (2) For the purposes of subsection (1)—
  - (a) members of the armed forces of a designated country who are attached to a designated [<sup>F34</sup>international military] headquarters are treated as a visiting force of that country, and
  - (b) whether a person is a member of a civilian component of such a force is to be determined accordingly.
- (3) No liability to income tax arises in respect of earnings if they are paid by a designated allied headquarters to an employee of a category for the time being agreed between Her Majesty's government in the United Kingdom and the other members of the North Atlantic Council.
- (4) But where the employee is a British citizen, a British overseas territories citizen, a British National (Overseas) or a British Overseas citizen, subsection (3) only applies if it is necessary for it to do so to give effect to an agreement between parties to the North Atlantic Treaty.

- [<sup>F35</sup>(4A) No liability to income tax arises in respect of earnings if—
- (a) they are paid by the government of a designated country to a person belonging to the EU civilian staff, and
  - (b) that person is not a British citizen, a British overseas territories citizen, a British National (Overseas) or a British Overseas citizen.]
- (5) Subsections (1) and (2) are to be interpreted as if—
    - (a) they were in Part 1 of the Visiting Forces Act 1952 (c. 67), and
    - (b) references in that Act to a country to which a provision of that Act applies were references to a designated country.
  - (6) In this section—

“allied headquarters” means an international military headquarters established under the North Atlantic Treaty, <sup>F36</sup>...

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“designated” means designated for the purpose in question by or under an Order in Council made for giving effect to an international agreement<sup>F37</sup>, and  
 “the EU civilian staff” means designated for the purpose in question by or under an Order in Council made for giving effect to an international agreement.

- (a) civilian personnel seconded by a member State to an EU institution for the purposes of activities (including exercises) relating to the preparation for, and execution of, tasks mentioned in Article 43(1) of the Treaty on European Union (tasks relating to a common security and defence policy), as amended from time to time, and
- (b) civilian personnel (other than locally hired personnel)—
  - (i) made available to the EU by a member State to work with designated international military headquarters or a force of a designated country, or
  - (ii) otherwise made available to the EU by a member State for the purposes of activities of the kind referred to in paragraph (a).]

#### **Textual Amendments**

- F33** Words in s. 303 heading substituted (17.7.2012) by [Finance Act 2012 \(c. 14\)](#), [Sch. 37 para. 4\(5\)](#)
- F34** Words in s. 303(2)(a) substituted (17.7.2012) by [Finance Act 2012 \(c. 14\)](#), [Sch. 37 para. 4\(2\)](#)
- F35** S. 303(4A) inserted (17.7.2012) by [Finance Act 2012 \(c. 14\)](#), [Sch. 37 para. 4\(3\)](#)
- F36** Word in s. 303(6) omitted (17.7.2012) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 37 para. 4\(4\)\(a\)](#)
- F37** Words in s. 303(6) inserted (17.7.2012) by [Finance Act 2012 \(c. 14\)](#), [Sch. 37 para. 4\(4\)\(b\)](#)

#### *Detached national experts*

### **304 Experts seconded to European Commission**

- (1) No liability to income tax arises in respect of daily subsistence allowances paid by the European Commission to persons whose services are made available to the Commission by their employers under the detached national experts scheme.
- (2) “The detached national experts scheme” means—
  - (a) the scheme relating to national experts seconded to the European Commission which was established by the Commission on 26th July 1988, as it has effect for the time being, or
  - (b) any scheme having effect for the time being which replaces that scheme.

### **[<sup>F38</sup>304A Experts seconded to other European Union bodies**

- (1) No liability to income tax arises in respect of any subsistence allowances paid by a relevant EU body to persons who, because of their expertise in matters relating to the subject matter of the functions of the relevant EU body, have been seconded to the body by their employers.
- (2) Each of the following is a “relevant EU body”—
  - (a) the European Medicines Agency, established as the European Agency for the Evaluation of Medicinal Products by Council Regulation ([EEC](#)) No 2309/93 of 22 July 1993,

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- (b) the European Police College, established by Council Decision of 20 September 2005 (2005/681/JHA),
- (c) the European Banking Authority, established by Regulation (EU) No 1093/2010 of 24 November 2010, and
- (d) any other body established by an EU instrument which is designated as a relevant EU body for the purposes of this section by an order made by the Treasury.]

#### Textual Amendments

**F38** S. 304A inserted (with effect in accordance with s. 38(2) of the amending Act) by [Finance Act 2011](#) (c. 11), s. **38(1)**

### *Offshore oil and gas workers*

#### **305 Offshore oil and gas workers: mainland transfers**

- (1) No liability to income tax arises in respect of—
  - (a) the provision for an employee who has a permanent workplace at an offshore installation of—
    - (i) transfer transport,
    - (ii) related accommodation and subsistence, or
    - (iii) local transport, or
  - (b) the payment or reimbursement of reasonable expenses incurred by such an employee on such transport or accommodation and subsistence.
- (2) Subsection (1)(a)(ii) only applies if the related accommodation and subsistence is provided at reasonable cost.
- (3) In this section “transfer transport” means transport by sea or air between the mainland of Great Britain or Northern Ireland and the offshore installation, which meets conditions A and B.
- (4) Condition A is that the place of arrival or departure on the mainland is one to or from which transport between the mainland and the offshore installation is provided for employees generally.
- (5) Condition B is that the cost of the transport would not be deductible under Part 5 if the employee incurred and paid it.
- (6) In this section—
  - “related accommodation and subsistence” means overnight accommodation and subsistence in the vicinity of the place of departure or arrival on the mainland, which is necessary because of the time at which transfer transport is to be taken,
  - “local transport” means transport between a place where the employee is provided with related accommodation and subsistence and the place of departure or arrival on the mainland,
  - <sup>F39</sup> .....
  - “workplace” and “permanent workplace” have the meaning given by section 339.

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#### **Textual Amendments**

**F39** Words in s. 305(6) repealed (with effect in accordance with Sch. 27 para. 16 of the amending Act) by Finance Act 2004 (c. 12), Sch. 27 para. 13, **Sch. 42 Pt. 2(19)**

*Miners etc.*

### **306 Miners etc: coal and allowances in lieu of coal**

- (1) No liability to income tax arises in respect of the provision of coal or smokeless fuel or an allowance paid in lieu of such provision if the employee is a colliery worker and the condition in subsection (2) is met.
- (2) That condition is that the amount of coal or fuel provided or in respect of which the allowance is paid does not substantially exceed the amount reasonably required for personal use.
- (3) That condition is assumed to be met unless the contrary is shown.
- (4) In this section “colliery worker” means a coal miner or any other person employed at or about a colliery otherwise than in clerical, administrative or technical work.

*[<sup>F40</sup> Carers*

#### **Textual Amendments**

**F40** S. 306A and cross-heading inserted (with effect in accordance with s. 14(4) of the amending Act) by Finance Act 2015 (c. 11), **s. 14(2)**

### **306A Carers: board and lodging**

- (1) For the purposes of this section an individual is employed as a home care worker if the duties of the employment consist wholly or mainly of the provision of personal care to another individual (“the recipient”) at the recipient's home, in a case where the recipient is in need of personal care because of—
  - (a) old age,
  - (b) mental or physical disability,
  - (c) past or present dependence on alcohol or drugs,
  - (d) past or present illness, or
  - (e) past or present mental disorder.
- (2) No liability to income tax arises by virtue of Chapter 10 of Part 3 (taxable benefits: residual liability to charge) in respect of the provision of board or lodging (or both) to an individual employed as a home care worker if the provision is—
  - (a) on a reasonable scale,
  - (b) at the recipient's home, and
  - (c) by reason of the individual's employment as a home care worker.]

**Status:**

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**Changes to legislation:**

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