



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

Cars: treatment of accessories

131 Replacement accessories

- (1) This section applies [^{F1}for the purposes of sections 121(1) and 121B(1)] where—
- a later accessory is available with the car in the tax year in question,
 - that accessory (“the new accessory”) replaced another qualifying accessory (“the old accessory”) in that year or an earlier tax year, and
 - the new accessory is of the same kind as the old accessory.

[^{F2}(1A) In the application of this section for the purposes of section 121B(1)—

- references to the cash equivalent of the benefit of the car for the tax year are to be read as references to the modified cash equivalent of the benefit of the car for the tax year, and
 - references to step 2 of section 121(1) are to be read as references to step 2 of section 121B(1).]
- (2) If the new accessory is not superior to the old accessory, the cash equivalent of the benefit of the car for the tax year is to be calculated under step 2 of section 121(1) as if—
- the replacement has not been made, and

Status: Point in time view as at 27/04/2017.

Changes to legislation: Income Tax (Earnings and Pensions) Act 2003, Section 131 is up to date with all changes known to be in force on or before 05 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) the new accessory is a continuation of the old accessory.
- (3) If the new accessory is superior to the old accessory and the conditions in subsection (4) are met, the cash equivalent of the benefit of the car for the tax year is to be calculated under step 2 of section 121(1)—
 - (a) as if the old accessory was not available with the car in that tax year, or
 - (b) where the price of the old accessory would (apart from this section) be added to the price of the car under step 2 of section 121(1) as an initial extra accessory, as if it was not available with the car at the time when the car was first made available to the employee.
- (4) The conditions mentioned in subsection (3) are that—
 - (a) the old accessory was a non-standard accessory, and
 - (b) both the old and the new accessory would (apart from this section) be taken into account under step 2 of section 121(1) in calculating the cash equivalent of the benefit of the car for the year.
- (5) For the purposes of this section a new accessory is superior to an old accessory if the price of the new accessory exceeds whichever is the greater of—
 - (a) the price of the old accessory, and
 - (b) the price of an accessory equivalent to the old accessory at the time immediately before the new accessory is first made available for use with the car.
- (6) In this section references to the price of an accessory are to—
 - (a) its list price, if it has one, or
 - (b) its notional price, if it has no list price.

Textual Amendments

- F1** Words in s. 131(1) inserted (with effect in accordance with Sch. 2 para. 62 of the amending Act) by [Finance Act 2017 \(c. 10\)](#), [Sch. 2 para. 25\(2\)](#)
- F2** [S. 131\(1A\)](#) inserted (with effect in accordance with Sch. 2 para. 62 of the amending Act) by [Finance Act 2017 \(c. 10\)](#), [Sch. 2 para. 25\(3\)](#)

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