



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: unavailability or payments for private use

144 Deduction for payments for private use

- (1) A deduction is to be made from the provisional sum [^{F1}(see subsection (1A))] if, as a condition of the car being available for the employee's private use, the employee—
- (a) is required in the tax year in question to pay (whether by way of deduction from earnings or otherwise) an amount of money for that use, and
 - [^{F2}(b) pays that amount in that year.]

- [^{F3}(1A) In this section “the provisional sum” means the provisional sum calculated under—
- (a) step 7 of section 121(1) (method of calculating the cash equivalent of the benefit of a car), or
 - (b) step 2 of section 121A(1) (optional remuneration arrangements: method of calculating relevant amount).]

- (2) If the amount paid by the employee in respect of that year is equal to or exceeds the provisional sum, the provisional sum is reduced [^{F4}so that—
- (a) in a case within subsection (1A)(a), the cash equivalent of the benefit of the car for the year is nil, or

Status: Point in time view as at 27/04/2017. This version of this provision has been superseded.

Changes to legislation: Income Tax (Earnings and Pensions) Act 2003, Section 144 is up to date with all changes known to be in force on or before 30 June 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) in a case within subsection (1A)(b), the relevant amount for the purposes of section 120A is nil.]
- (3) [^{F5}Where subsection (2) does not apply,] the amount paid by the employee in respect of the year is deducted from the provisional sum in order to [^{F6}give —
- (a) in a case within subsection (1A)(a), the cash equivalent of the benefit of the car for the year, or
- (b) in a case within subsection (1A)(b), the relevant amount for the purposes of section 120A.]
- (4) In this section the reference to the car being available for the employee’s private use includes a reference to the car being available for the private use of a member of the employee’s family or household.
- (5) This section is subject to section 145 (modification where car temporarily replaced).

Textual Amendments

- F1** Words in s. 144(1) substituted (with effect in accordance with Sch. 2 para. 62 of the amending Act) by [Finance Act 2017 \(c. 10\)](#), [Sch. 2 para. 29\(2\)](#)
- F2** S. 144(1)(b) substituted (with effect in accordance with s. 25(3) of the amending Act) by [Finance Act 2014 \(c. 26\)](#), [s. 25\(1\)](#)
- F3** S. 144(1A) inserted (with effect in accordance with Sch. 2 para. 62 of the amending Act) by [Finance Act 2017 \(c. 10\)](#), [Sch. 2 para. 29\(3\)](#)
- F4** Words in s. 144(2) substituted (with effect in accordance with Sch. 2 para. 62 of the amending Act) by [Finance Act 2017 \(c. 10\)](#), [Sch. 2 para. 29\(4\)](#)
- F5** Words in s. 144(3) substituted (with effect in accordance with Sch. 2 para. 62 of the amending Act) by [Finance Act 2017 \(c. 10\)](#), [Sch. 2 para. 29\(5\)\(a\)](#)
- F6** Words in s. 144(3) substituted (with effect in accordance with Sch. 2 para. 62 of the amending Act) by [Finance Act 2017 \(c. 10\)](#), [Sch. 2 para. 29\(5\)\(b\)](#)

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