



Income Tax (Earnings and Pensions) Act 2003

2003 CHAPTER 1

PART 5

EMPLOYMENT INCOME: DEDUCTIONS ALLOWED FROM EARNINGS

CHAPTER 1

DEDUCTIONS ALLOWED FROM EARNINGS: GENERAL RULES

General rules

329 Deductions from earnings not to exceed earnings

(1) The amount of a deduction allowed under this Part may not exceed the earnings from which it is deductible.

[^{F1}(1A) If the earnings from which a deduction allowed under this Part is deductible include earnings that are “excluded” within the meaning of section 15(1A)—

- (a) the amount of the deduction allowed is a proportion of the amount that would be allowed under this Part if the tax year were not a split year, and
- (b) that proportion is equal to the proportion that the part of the earnings that is not “excluded” bears to the total earnings.]

(2) If two or more deductions allowed under this Part are deductible from the same earnings, the amounts deductible may not in aggregate exceed those earnings [^{F2}(or, in a case within subsection (1A), the part of those earnings that is not “excluded”)] .

(3) If deductions allowed otherwise than under this Part fall to be allowed from the same earnings as amounts deductible under this Part, the amounts deductible under this Part may not exceed the earnings [^{F3}(or, in a case within subsection (1A), the part of the earnings that is not “excluded”)] remaining after the other deductions.

Changes to legislation: *Income Tax (Earnings and Pensions) Act 2003, Section 329 is up to date with all changes known to be in force on or before 22 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) View outstanding changes*

- (4) Subsections (1) and (2) do not apply to a deduction under section 351 (expenses of ministers of religion), and subsection (3) applies as if such a deduction were allowed otherwise than under this Part.
- (5) This section is to be disregarded for the purposes of the deductibility provisions (see section 332).
- (6) See also [^{F4}section 128 of ITA 2007] (which provides that where a loss in an employment is sustained, relief may be given against other income).

Textual Amendments

- F1** S. 329(1A) inserted (with effect in accordance with Sch. 45 para. 153(2) of the amending Act) by Finance Act 2013 (c. 29), **Sch. 45 para. 64(2)**
- F2** Words in s. 329(2) inserted (with effect in accordance with Sch. 45 para. 153(2) of the amending Act) by Finance Act 2013 (c. 29), **Sch. 45 para. 64(3)**
- F3** Words in s. 329(3) inserted (with effect in accordance with Sch. 45 para. 153(2) of the amending Act) by Finance Act 2013 (c. 29), **Sch. 45 para. 64(4)**
- F4** Words in s. 329(6) substituted (6.4.2007) by Income Tax Act 2007 (c. 3), s. 1034(1), **Sch. 1 para. 434** (with Sch. 2)

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Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 452(2)(aa) inserted by [2013 c. 29 Sch. 23 para. 11](#)
- s. 707A inserted by [2024 c. 3 s. 36\(4\)](#)