



Finance Act 2005

2005 CHAPTER 7

PART 2

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

CHAPTER 2

PERSONAL TAXATION

Taxable benefits

15 Childcare vouchers: exempt amount

- (1) Section 270A of ITEPA 2003 (limited exemption for qualifying childcare vouchers) is amended as follows.
- (2) In subsection (6) (exempt amount), for “£50 for each qualifying week in that year” substitute “the sum of—
 - (a) £50 for each qualifying week in that year, and
 - (b) the voucher administration costs for that year.”
- (3) After that subsection insert—

“(6A) The “voucher administration costs” for any tax year in respect of which qualifying childcare vouchers are provided for an employee means the difference between the cost of provision of the vouchers and their face value.

The face value of a voucher is the amount stated on or recorded in the voucher as the value of the provision of care for a child that may be obtained by using it.”

- (4) After subsection (10) insert—

Changes to legislation: There are currently no known outstanding effects
for the Finance Act 2005, Section 15. (See end of Document for details)

“(10A) In this section “ cost of provision”, in relation to a childcare voucher, has the meaning given in section 87(3) and (3A).”

(5) This section has effect for the year 2005-06 and subsequent years of assessment.

Changes to legislation:

There are currently no known outstanding effects for the Finance Act 2005, Section 15.