

2002 No. 205

INCOME TAX

**The Income Tax (Exemption of Minor Benefits)
Regulations 2002**

Made - - - - - *4th February 2002*

Laid before the House of Commons - - *5th February 2002*

Coming into force - - - - - *6th April 2002*

The Treasury, in exercise of the powers conferred upon them by section 155ZB of the Income and Corporation Taxes Act 1988(a), hereby make the following Regulations:

Citation, commencement and effect

1.—(1) These Regulations may be cited as the Income Tax (Exemption of Minor Benefits) Regulations 2002 and shall come into force on 6th April 2002.

(2) These Regulations have effect for the year 2002–03 and subsequent years of assessment.

Interpretation

2. In these Regulations—

“bus” and “minibus” mean a bus, or a minibus, by means of which is provided a works bus service to which section 197AA of the Taxes Act(b) applies;

“cycle” has the meaning given by section 192(1) of the Road Traffic Act 1988(c);

“employment” includes an office and related expressions have a corresponding meaning;

“the Taxes Act” means the Income and Corporation Taxes Act 1988;

“working day”, in relation to an employee, means a day on which his attendance at a workplace is necessary in the performance of the duties of the employment;

“workplace”, in relation to an employee, means a place at which his attendance is necessary in the performance of the duties of the employment.

(a) 1988 c. 1; section 155ZB was inserted by paragraph 3(1) of Schedule 10 to the Finance Act 2000 (c. 17).

(b) Section 197AA was inserted by section 48 of the Finance Act 1999 (c. 16) and amended by section 60 of the Finance Act 2001 (c. 9).

(c) 1988 c. 52.

Exemption in respect of the provision of qualifying meals

3.—(1) Subject to paragraph (2), there is no charge to tax under section 154 of the Taxes Act (taxable benefits: general charging provision)(a) in respect of the provision for employees of qualifying meals.

(2) In relation to an employee, the exemption conferred by paragraph (1) is limited to the first six qualifying meals provided for him in any year of assessment.

(3) For the purposes of this regulation—

(a) a “qualifying meal” is any food or drink which—

(i) is provided by an employer to an employee in recognition of the employee having used a cycle on a designated day to make the journey between his home and a workplace for his necessary attendance at the workplace in the performance of the duties of the employment, and

(ii) is provided for consumption by the employee on his arrival at the workplace on that day; and

(b) a “designated day” is a day designated by the employer as a day on which a qualifying meal will be provided to any employee who uses a cycle for the purpose mentioned in sub-paragraph (a)(i).

Exemption in respect of the provision of bus or minibus

4.—(1) There is no charge to tax under section 154 of the Taxes Act (taxable benefits: general charging provision) in respect of the provision for employees of a bus, or a minibus, for conveying employees of one or more employers on relevant journeys.

(2) For the purposes of this regulation, a “relevant journey”, in relation to an employee, is a journey which—

(a) is a single journey of a distance of not more than 10 miles;

(b) is between his workplace and shops or other amenities; and

(c) is made on a working day.

Nick Ainger
Tony McNulty

4th February 2002

Two of the Lords Commissioners of Her Majesty's Treasury

(a) Section 154 was amended by section 53(2)(b) of the Finance Act 1989 (c. 26), section 21(2) of the Finance Act 1990 (c. 29), paragraph 2 of Schedule 4 to the Finance Act 1993 (c. 34), sections 44(3) and 45(2) of, and Part 3(9) of Schedule 20 to, the Finance Act 1999 and paragraphs 2(2) and 3(2) of Schedule 10 to the Finance Act 2000.

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations are made under section 155ZB of the Income and Corporation Taxes Act 1988 so as to exempt from section 154 of that Act (taxable benefits: general charging provision) certain minor benefits. The Regulations have effect for the year 2002–03 and subsequent years of assessment.

Regulation 1 provides for citation, commencement and effect, and regulation 2 for interpretation.

Regulation 3 provides for an exemption in respect of certain food or drink provided to employees in recognition of them cycling to work.

Regulation 4 provides for an exemption in respect of the provision to employees of a bus or a minibus for the purpose of making certain journeys on working days.

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