



Finance Act 2004

2004 CHAPTER 12

PART 3

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

CHAPTER 4

PERSONAL TAXATION

Taxable benefits

78 Childcare and childcare vouchers

- (1) Schedule 13 to this Act contains amendments of the Income Tax (Earnings and Pensions) Act 2003 (c. 1) relating to childcare and childcare vouchers.
- (2) The amendments have effect for the year 2005-06 and subsequent years of assessment.

79 Exemption for loaned computer equipment

- (1) In Chapter 11 of Part 4 of the Income Tax (Earnings and Pensions) Act 2003 (c. 1) (employment income: miscellaneous exemptions), section 320 (limited exemption for computer equipment) is amended as follows.
- (2) For subsection (1) substitute—
 - “(1) If conditions A and B are met in respect of the provision of computer equipment—
 - (a) no liability to income tax arises by virtue of section 62 (general definition of earnings), and
 - (b) liability to income tax by virtue of Chapter 10 of Part 3 (taxable benefits: residual liability to charge) arises only in respect of so much

Status: This is the original version (as it was originally enacted).

of the aggregate cash equivalent of the benefit in the tax year as exceeds £500.”.

- (3) Omit subsections (4) and (5).
- (4) This section has effect for the year 2004-05 and subsequent years of assessment.

80 Vans

- (1) Schedule 14 to this Act contains amendments of the Income Tax (Earnings and Pensions) Act 2003 relating to vans.
- (2) The amendments have effect for the year 2005-06 and subsequent years of assessment.

81 Emergency vehicles

- (1) In the Income Tax (Earnings and Pensions) Act 2003, after section 248 insert—

“248A Emergency vehicles

- (1) This section applies where—
 - (a) an emergency vehicle is made available to a person employed in an emergency service for the person’s private use,
 - (b) the terms on which it is made available prohibit its private use otherwise than when the person is on call or engaged in on-call commuting, and
 - (c) the person does not make private use of it otherwise than in such circumstances.
- (2) No liability to income tax arises by virtue of Chapter 6 or 10 of Part 3 (taxable benefits: cars, vans etc. and residual liability to charge) in respect of the benefit.
- (3) “Emergency vehicle” means a vehicle which is used to respond to emergencies and which either—
 - (a) has fixed to it a lamp designed to emit a flashing light for use in emergencies, or
 - (b) would have such a lamp fixed to it but for the fact that (if it did) a special threat to the personal physical security of those using it would arise by reason of it being apparent that they were employed in an emergency service.
- (4) The following are “employed in an emergency service”—
 - (a) constables and other persons employed for police purposes,
 - (b) persons employed for the purposes of a fire, or fire and rescue, service, and
 - (c) persons employed in the provision of ambulance or paramedic services.
- (5) The Treasury may by order amend subsection (4).
- (6) “Private use”, in relation to a person, means any use other than for the person’s business travel; and “business travel” has the same meaning as in Chapter 6 of Part 3 (see section 171(1)).

- (7) A person to whom an emergency vehicle is made available is on call when liable, as part of normal duties, to be called on to use the emergency vehicle to respond to emergencies.
- (8) A person to whom an emergency vehicle is made available is engaged in on-call commuting when the person—
 - (a) is using it for ordinary commuting or for travel between two places that is for practical purposes substantially ordinary commuting, and
 - (b) is required to do so in order that it is available for use by the person, as part of normal duties, for responding to emergencies.”.
- (2) In section 236(2)(c) of that Act (mileage allowance and passenger payments: meaning of “company vehicle”), after “vans)” insert “and section 248A (emergency vehicles)”.
- (3) This section has effect for the year 2004-05 and subsequent years of assessment.

82 European travel expenses of MPs and other representatives

- (1) The Income Tax (Earnings and Pensions) Act 2003 (c. 1) is amended as follows.
- (2) In section 294 (EU travel expenses of MPs and other representatives) in subsection (1) (exemption from income tax in respect of sums paid to Members of the House of Commons and other representatives in respect of EU travel expenses) for “EU” (in both places) substitute “European”.
- (3) In that section, for subsections (2) to (4) substitute—
 - “(2) “European travel expenses” means the cost of, and any additional expenses incurred in, travelling between the United Kingdom and a relevant European location.
 - (3) “Relevant European location” means—
 - (a) a European Union institution or agency, or
 - (b) the national parliament of—
 - (i) another member State,
 - (ii) a candidate or applicant country, or
 - (iii) a member State of the European Free Trade Association.
 - (4) The Treasury may by order amend subsection (3) by—
 - (a) adding a European location,
 - (b) removing a European location, or
 - (c) varying the description of a European location.”.
- (4) In the heading of that section, “EU” accordingly becomes “European”.
- (5) This section has effect in relation to sums paid in respect of costs or expenses incurred on or after 6th April 2004.