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SCHEDULES

SCHEDULE 14

VANS

5 For sections 155 to 166 substitute—

“155 Cash equivalent of the benefit of a van

- (1) What is the cash equivalent of the benefit of a van for a tax year depends on whether or not the restricted private use condition is met in relation to the van for the year.
- (2) The cash equivalent of the benefit of the van for the year is—
 - (a) nil if that condition is met in relation to the van for the tax year, and
 - (b) the amount given by subsection (3) if it is not.
- (3) That amount is—
 - (a) where the tax year is the tax year 2005-06 or 2006-07—
 - (i) £500 if the age of the van is less than 4 years at the end of the tax year, and
 - (ii) £350 in any other case, and
 - (b) where the tax year is a later tax year, £3,000.
- (4) The restricted private use condition is met in relation to a van for a tax year if—
 - (a) the commuter use requirement is satisfied throughout the year (or the part of the year on which it is available to the employee) or the extent to which it is not satisfied during that period is insignificant, and
 - (b) the business travel requirement is satisfied throughout the year (or the part of the year on which it is available to the employee).
- (5) The commuter use requirement is satisfied at any time if—
 - (a) the terms on which the van is available to the employee at the time prohibit its private use otherwise than for the purposes of ordinary commuting or travel between two places that is for practical purposes substantially ordinary commuting, and
 - (b) neither the employee nor a member of the employee’s family or household makes private use of the van at the time otherwise than for those purposes.
- (6) In subsection (5) “ordinary commuting” has the same meaning as in section 338 (travel for necessary attendance) (see subsection (3) of that section).

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- (7) The business travel requirement is satisfied at a time if the van is available to the employee at the time mainly for use for the purposes of the employee's business travel (see section 171(1)).
- (8) The cash equivalent of the van may be reduced—
- (a) under section 156 for any periods when the van is unavailable,
 - (b) under section 157 where the van is shared, and
 - (c) under section 158 in respect of payments by the employee for the private use of the van.

Vans: reductions of cash equivalent

156 Reduction for periods when van unavailable

- (1) The cash equivalent of the benefit of a van for a tax year under section 155(2) (a) or (b) is to be reduced if the van has been unavailable on any day during the year.
- (2) For the purposes of this section a van is unavailable on any day if the day—
- (a) falls before the first day on which the van is available to the employee,
 - (b) falls after the last day on which the van is available to the employee, or
 - (c) falls within a period of 30 days or more throughout which the van is not available to the employee.
- (3) The amount of the reduction is given by the formula—

$$\frac{U}{Y} \times CE$$

where—

U is the number of days in the year on which the van is unavailable,

Y is the number of days in the year, and

CE is the amount of the cash equivalent before any reduction.

Reduction of cash equivalent where van is shared

157 Reduction of cash equivalent where van is shared

- (1) This section applies if in a tax year a van—
- (a) is available to more than one employee concurrently,
 - (b) is so made available by the same employer, and
 - (c) is available concurrently for each employee's private use.
- (2) The cash equivalent of the benefit of the van to each of those employees for that year—

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- (a) is to be calculated separately under sections 155 and 156, and
 - (b) is then to be reduced on a just and reasonable basis.
- (3) If —
- (a) any of the employees mentioned in subsection (1)(a) (“E”) is a member of the family or household of another of them (“M”), and
 - (b) E’s employment is an excluded employment,
- the availability of the van to E is to be disregarded when applying subsection (2)(b) in respect of M.
- (4) In this section the reference to the van being available for each employee’s private use includes a reference to the van being available for the private use of a member of the employee’s family or household.

Reduction for payments for private use

158 Reduction for payments for private use

- (1) The cash equivalent of the benefit of a van for a tax year under section 155(2) (a) or (b) (after any reduction under sections 156 and 157) is to be reduced if, as a condition of the van being available for the employee’s private use, the employee—
- (a) is required in that year to pay (whether by way of deduction from earnings or otherwise) an amount of money for that use, and
 - (b) makes such payment.
- (2) If the amount paid by the employee in respect of that year is equal to or exceeds that cash equivalent, it is reduced to nil.
- (3) In any other case that cash equivalent is reduced by the amount paid by the employee.
- (4) In this section the reference to the van being available for the employee’s private use includes a reference to the van being available for the private use of a member of the employee’s family or household.

Modification of provisions where van temporarily replaced

159 Modification of provisions where van temporarily replaced

- (1) This section applies if—
- (a) the van normally available to an employee (“the normal van”) is not available to the employee for a period of less than 30 days,
 - (b) another van (“the replacement van”) is made available to the employee in order to replace the normal van for the whole or part of that period, and
 - (c) the employee is chargeable to tax in respect of both the normal van and the replacement van by virtue of section 154.
- (2) If this section applies—

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- (a) section 156 applies so that the replacement van is to be treated as unavailable on the days during the period on which it replaces the normal van, and
- (b) sections 155, 157 and 158 apply as if the replacement van were the normal van.

Van fuel: benefit treated as earnings

160 Benefit of van fuel treated as earnings

- (1) If in a tax year—
 - (a) fuel is provided for a van by reason of an employee’s employment,
 - (b) that person is chargeable to tax in respect of the van by virtue of section 154, and
 - (c) the cash equivalent of the van for that year is that under section 155(2)(b),
 the cash equivalent of the benefit of the fuel is to be treated as earnings from the employment for that year.
- (2) The cash equivalent of the benefit of the fuel is calculated in accordance with sections 161 to 164.
- (3) Fuel is to be treated as provided for a van, in addition to any other way in which it may be provided, if—
 - (a) any liability in respect of the provision of fuel for the van is discharged,
 - (b) a non-cash voucher or a credit-token is used to obtain fuel for the van,
 - (c) a non-cash voucher or a credit-token is used to obtain money which is spent on fuel for the van, or
 - (d) any sum is paid in respect of expenses incurred in providing fuel for the van.
- (4) References in this section to fuel do not include any facility or means for supplying electrical energy for an electrically propelled vehicle.

161 Van fuel: the cash equivalent

The cash equivalent of the benefit of the fuel is—

- (a) where the tax year is the tax year 2005-06 or 2006-07, nil, and
- (b) where the tax year is a later tax year, £500.

162 Van fuel: nil cash equivalent

- (1) The cash equivalent of the benefit of the fuel is nil if condition A or B is met.
- (2) Condition A is met if in the tax year in question—
 - (a) the employee is required to make good to the person providing the fuel the whole of the expense incurred by that person in connection with the provision of the fuel for the employee’s private use, and
 - (b) the employee does make good that expense.

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- (3) Condition B is met if in the tax year in question the fuel is made available only for business travel (see section 171(1)).

163 Van fuel: proportionate reduction of cash equivalent

- (1) The cash equivalent of the benefit of the fuel is to be proportionately reduced if for any part of the tax year in question the van for which the fuel is provided is unavailable (within the meaning of section 156 (reduction for periods when van unavailable)).
- (2) But if section 159 (van temporarily replaced) applies—
- (a) section 160 applies as if the replacement van were the normal van, and
 - (b) for the purposes of subsection (1) the replacement van is to be treated as unavailable on the days during the period on which it replaces the normal van.
- (3) The cash equivalent of the benefit of the fuel is also to be proportionately reduced if for any part of the tax year in question—
- (a) the facility for the provision of fuel as mentioned in section 160 (1) is not available,
 - (b) the fuel is made available only for business travel (see section 171(1)), or
 - (c) the employee is required to make good to the person providing the fuel the whole of the expense incurred by that person in connection with the provision of the fuel for the employee's private use and the employee does make good that expense.
- (4) The fact that any of the conditions specified in subsection (3) is met for part of a tax year is to be disregarded if there is a time later in that year when none of those conditions is met.
- (5) Where the cash equivalent is to be proportionately reduced under subsection (1) or (3) (or under both those subsections), the reduced amount is given by the formula—

$$CE \times \frac{Y - D}{Y}$$

where—

CE is the amount of the cash equivalent before any reduction,

Y is the number of days in the tax year in question, and

D is the total number of days in the tax year on which either the van is unavailable or one or more of the conditions in subsection (3) is met.

164 Van fuel: reduction of cash equivalent

If a reduction of the cash equivalent of the benefit of the van for which the fuel is provided is made under section 157 (reduction of cash equivalent

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where van is shared), a corresponding reduction is to be made in relation to the cash equivalent of the benefit of the fuel.”

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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. 236ZA inserted by [S.I. 2024/357 art. 2\(2\)](#)