

2012 No. 3037

INCOME TAX

The Car and Van Fuel Benefit Order 2012

Made - - - - *6th December 2012*

Laid before the House of Commons *7th December 2012*

Coming into force - - *31st December 2012*

The Treasury make the following Order in exercise of the powers conferred by sections 170(5) and (6) of the Income Tax (Earnings and Pensions) Act 2003(a):

Citation, commencement and effect

1.—(1) This Order may be cited as the Car and Van Fuel Benefit Order 2012.

(2) This Order shall come into force on 31st December 2012 and has effect for the tax year 2013-14 and subsequent tax years.

Amendment to section 150 of the Income Tax (Earnings and Pensions) Act 2003

2. In section 150(1) of the Income Tax (Earnings and Pensions) Act 2004 (car fuel: calculating the cash equivalent)(b) for “£20,200” substitute “£21,100”.

Amendment to section 161(b) of the Income Tax (Earnings and Pensions) Act 2003

3. In section 161(b) of the Income Tax (Earnings and Pensions) Act 2003 (van fuel: the cash equivalent)(c) for “£550” substitute “£564”.

Robert Goodwill
Desmond Swayne

6th December 2012

Two of the Lords Commissioners of Her Majesty's Treasury

(a) 2003 c. 1; section 170(5) was amended by paragraph 7(4) of Schedule 14 to the Finance Act 2004 (c. 12).
(b) The amount specified in section 150(1) was last substituted by S.I. 2012/915.
(c) The amount specified in section 161(b) was last substituted by S.I. 2010/406.

EXPLANATORY NOTE

(This note is not part of the Order)

This Order amends section 150(1) and section 161(b) of the Income Tax (Earnings and Pensions) Act 2003 (“the Act”).

Where an employee receives fuel for a car by reason of the employee’s employment and that person is chargeable to tax in respect of the car under section 120 of the Act, the cash equivalent of the benefit of the fuel is treated as earnings from the employment under section 149 of the Act and is subject to tax and national insurance contributions.

With effect from the tax year 2012-13, the cash equivalent of the benefit of the fuel is calculated by applying the “appropriate percentage” (normally calculated by reference to the CO₂ emissions of a car) to the figure of £20,200 in section 150(1) of the Act.

Article 2 of this Order increases the figure in section 150(1) of the Act to £21,100 for the tax year 2013-14 and subsequent tax years.

Where an employee receives fuel for a van by reason of the employee’s employment and that person is chargeable to tax in respect of the van under section 154 of the Act, the cash equivalent of the benefit of the fuel is treated as earnings from the employment under section 160 of the Act and subject to tax and national insurance contributions.

With effect from the tax year 2010-11, the cash equivalent of the benefit of the fuel is set at £550 in section 161(b) of the Act.

Article 3 of this Order increases the figure in section 161(b) of the Act to £564 for the tax year 2013-14 and subsequent tax years.

A Tax Information and Impact Note has not been prepared for this Instrument as it gives effect to previously announced policy.

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