

## Vehicle-battery charging at workplace

**(Lecture B1107 – 9.59 minutes)**

One of the current issues limiting the adoption of all-electric or plug-in hybrid vehicles by the general public is the worry about where they can be recharged. Many residential areas have very limited charging facilities, especially where on-street parking is the only option available.

If an employer provides battery charging facilities (including electricity) for a vehicle which is not a taxable car or van because it belongs to a member of staff, the employee has hitherto been subject to an income tax and NIC benefit in kind charge.

Company cars and vans are exempt from this, given that the relevant benefit figure comprehends all vehicle-related costs.

In his Budget on 22 November 2017, the Chancellor announced that, with effect from 6 April 2018, there would be no benefit tax charge on electricity and other facilities that employers provided for the purpose of charging employees' own all-electric and plug-in hybrid vehicles. Somewhat surprisingly, this new exemption was not included in FA 2018.

This omission has now been rectified by the publication on 6 July 2018 of the draft Finance Bill that contains details of a new S237A ITEPA 2003. As expected, the legislation is short and to the point. The first two subsections read as follows:

‘(1) No liability to income tax arises in respect of the provision, at or near an employee's workplace, of facilities for charging a battery of a vehicle used by the employee (including a vehicle used by the employee as a passenger).

(2) Subsection (1) applies only if the facilities are made available generally to the employer's employees at that workplace.’

S237A ITEPA 2003 applies where the relevant facilities are made available ‘at or near’ the workplace. The words ‘at or near’ are not defined in the legislation. However, it is understood that HMRC will adopt the same approach with this new section as they do for S237 ITEPA 2003 (parking provision and expenses). Thus, as long as the charging facilities made available are within a reasonable distance from the place of work, having regard to the nature of the locality, the exemption will apply. See Para EIM21685 of the Employment Income Manual for the details of HMRC's interpretation of ‘at or near’ in the context of parking facilities.

Notice that the new exemption does not extend to the reimbursement by employers of costs incurred by individuals when recharging vehicles away from the workplace.

*Contributed by Robert Jamieson*