

CLAIMING MILEAGE ALLOWANCE RELIEF

BACKGROUND: In April 2002 the Inland Revenue introduced an **Approved Mileage Allowance Payment** (AMAP) system, against which payments made to employees for business mileage in their own cars are measured. The basic rate for the period from 2002 to 2011, regardless of the type of car or engine size, was **40p/mile** for the first 10,000 annual business miles, and **25p/mile** for all miles thereafter. In 2011 tax year these rates were increased to 45p/mile and 25p/mile. The AMAP system compares amounts paid or received for business mileage with these rates - if amounts received by employees or volunteer car drivers are lower than these, claims for tax relief (called **MILEAGE ALLOWANCE RELIEF CLAIMS**) can be made by employees – by sending the completed form attached to your tax inspector (annually in arrears). However, where amounts received are higher than these, tax will be due on the surplus, which will be treated as if it were income, and subject to tax and NIC's. In previous years, rates were linked to engine size of the car, with a lower mileage threshold.

Tax years from April 2002 (ppm):	All cars
First 10,000 business miles	40p
All mileage over 10,000	25p
Tax year from April 2011 (ppm):	All cars
First 10,000 business miles	45p
All mileage over 10,000	25p

Mileage rates can be referenced on the Inland Revenue website: www.hmrc.gov.uk

Lump sum allowances: Where employees are paid a lump sum allowance, this will normally have been subject to income tax and NICs, and in such instance can be disregarded for the purpose of making claims for tax relief. If the employer pays a lump sum, and then pays (say) 10p/mile for fuel for business journeys, the employee can submit a claim for **MILEAGE ALLOWANCE RELIEF** on the difference between the amount received for business mileage and the AMAP rate – in this case the claim would be for 30p/mile for all business miles up to 10,000 during the tax year, and 15p/mile for the remaining miles (if more than 10,000). Claims will normally be made at the end of each tax year.

Other key points:

- Rate for **motorcycles 24p/mile** for all business miles.
- Rate for **bicycles 20p/mile** for all business miles.
- Car sharing allowance for **each co-employee/passenger carried** on business journeys **up to 5p/mile**.
- It is necessary for people using their own cars for business to keep accurate records of business trips and the mileage reimbursement they receive from their employers, in order to support any subsequent claims for tax relief on low payments. A claim form for **Mileage Allowance Relief is attached and can also** be downloaded (**for personal use only**) from www.emmerson-hill.co.uk (see mileage records page). Claim forms are subject to copyright, which all users are asked to respect.

CLAIM FOR MILEAGE ALLOWANCE RELIEF

Name	Tax year ended April 5th 201.....
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Car Details	Registration No.	Type of car and engine size (cc)	Mileage in each car
Main car used			
Other cars used			

Monthly mileage	Business mileage	Mileage rate paid by employer = p/mile	Amount(s) received from employer £
April			
May			
June			
July			
August			
September			
October			
November			
December			
January			
February			
March			
Totals for tax year		Total amount received >	

AMAP rate all cars = **45p/mile** for first 10,000 annual miles, thereafter **25p/mile** for all additional miles. **Prior to April 2011 the rate was 40p/mile** (for that year and previous years) with the 25p/mile rate remaining as it is.

Tax Claim - send annually to HMRC tax office (address usually shown on Notice of Coding)
 HMRC Approved Mileage Allowance Payment (AMAP) from April 2011 = **45 p/mile**
 (where annual business mileage exceeds 10,000 = **25p/mile** applies to excess over 10,000 miles)
 Total business mileage: _____
 AMAP x total business mileage (A): _____ Total amount received from employer (B): _____
Total mileage allowance relief claim = (A) minus (B): _____

Statement
 I certify that this is a true and accurate record of my business mileage for the tax year, using my own car. This represents a claim for MILEAGE ALLOWANCE RELIEF - the shortfall in amounts received from my employer when using my own car in connection with my employer's business, compared with HMRC Approved Mileage Allowance Payments (AMAP).
 * I have attached/not attached evidence of payments received (* delete as applicable)

Name _____ Signature _____

Home address _____
 _____ Postcode _____

Tax reference _____ Employer name _____

Date _____ Employer ref _____