

# HM Revenue and Customs mileage rates for 2010/11

The authorised mileage rates, which will apply for business mileage in the year 2010/11 are shown below. These apply to the tax year starting on 6 April 2010.

## Cars

On the first 10,000 miles in the tax year	40p
On each additional mile over 10,000 miles	25p

**Motor cycles** 24p

**Bicycles** 20p

## Passengers

To encourage car sharing by employees, employers have the option to pay – free of tax and National Insurance Contributions (NICs) – 5p per mile for each passenger carried.

## Easy guide

The Approved Mileage Allowance Payment (AMAP) scheme determines whether you have to pay tax and national insurance on payments your employer makes to you for using your own vehicle for business journeys. Under these rules, there is a maximum amount you can receive without paying tax. This is called an approved mileage allowance payment.

If your employer pays you more than the AMAP rate, you will be liable to pay tax on the excess. Tax will normally be dealt with through your PAYE tax code or your self assessment tax return, if you receive one. Your employer will work out whether you need to pay NICs on any motoring expenses you receive.

If you are not paid a mileage allowance or your employer pays less than the AMAP rate, you can get relief against your earnings for the difference. This is called mileage allowance relief (MAR). If you want to claim relief you have to keep a record of:

- your business miles
- the mileage allowance payments made by your employer.

You cannot claim tax relief for any costs above the AMAP rate.

The finer details of records you are obliged to keep for AMAP and MAR can be found on the HMRC's website at: [www.hmrc.gov.uk/mileage](http://www.hmrc.gov.uk/mileage)

This advice is part of one of a selection of leaflets, in this case called *Using your own vehicle for work*, which is available either via the HMRC's website ([www.hmrc.gov.uk/mileage/employee-factsheet.pdf](http://www.hmrc.gov.uk/mileage/employee-factsheet.pdf)) or from any HMRC Enquiry Centre, Tax Office or HMRC National Insurance Contributions office. Addresses can be found in the local telephone book under 'HMRC'. Social Security offices, Jobcentre Plus offices, libraries and Citizens' Advice Bureaux may also have copies.

Other related HMRC leaflets which may be of use are:

- 490 Employee Travel. A tax and NICs guide for employers [www.hmrc.gov.uk/helpsheets/490.pdf](http://www.hmrc.gov.uk/helpsheets/490.pdf)
- A Fact Sheet for Employers setting up Green Travel Plans [www.hmrc.gov.uk/green-transport/travel-plans.htm](http://www.hmrc.gov.uk/green-transport/travel-plans.htm)
- Tax relief for business mileage or fuel [www.hmrc.gov.uk/incometax/relief-mileage.htm](http://www.hmrc.gov.uk/incometax/relief-mileage.htm)

### **HMRC rates and volunteer drivers**

If the HMRC rates are used for volunteer drivers the following guidance documents will be useful:

- HMRC guidance for volunteer drivers [www.hmrc.gov.uk/mileage/volunteer-drivers.htm](http://www.hmrc.gov.uk/mileage/volunteer-drivers.htm)
- Volunteering England information sheets on volunteer drivers and volunteer travel expenses [www.volunteering.org.uk/resources/information](http://www.volunteering.org.uk/resources/information) (NB Volunteering England's information service is now for VE members only).

### **Approved Mileage Allowance Payment and NJC scales**

Please note that in general NJC rates will result in payments above the HMRC mileage allowance payment and therefore attract a tax liability. See above factsheets for guidance on tax liabilities.