

Changes to: Company Car Fuel Allowances

With effect from 1st September 2016, the amount an employee with a company car or company car allowance can claim per business mile will change in line with the table below.

Please note that there is a separate engine size structure for Diesel vehicles

Engine size	Diesel
1600cc or less	9p
1601cc to 2000cc	11p
Over 2000cc	13p

Engine size	Petrol	LPG
1400cc or less	11p	7p
1401cc to 2000cc	13p	9p
Over 2000cc	20p	13p

For more information, visit the HMRC website
http://www.hmrc.gov.uk/cars/advisory_fuel_current.htm

If you have any queries about the tax implications of these rate, we advise you to speak to your accountant.

As a reminder, the HMRC rates for reimbursing company mileage in personal cars where the employee does not receive a company car allowance is as follows:

Approved mileage rates		
From 2011-12	First 10,000 business miles in the tax year	Each business mile over 10,000 in the tax year
Cars and vans	45p	25p
Motor cycles	24p	24p
Bicycles	20p	20p

For more information, visit the HMRC website

<https://www.gov.uk/government/publications/rates-and-allowances-travel-mileage-and-fuel-allowances>

These rates are designed to cover fuel and wear & tear on the vehicle.

Employers need to ensure they have a clear policy on the use of company and personal cars for work purposes, maintain copies of driving licences and insurance documents.

For assistance with company car policies, **contact the team on 01923 504100.**

