

Mileage Allowances

Fuel-Only Mileage Rates

HM Revenue & Customs advisory mileage rates for employee private mileage reimbursement or employer reimbursement of business mileage are:

From 1st September 2015:

Baseline fuel mileage rates			
	Rates per mile		
Engine Capacity	Petrol	Diesel	LPG
Up to 1400cc	11p	9p	7p
1401 – 1600cc	14p	9p	9p
1601 - 2000cc	14p	11p	9p
Over 2000cc	21p	13p	14p

For Employees Using Their Own Transport

The approved maximum tax and national insurance free mileage allowances for employees using their own transport for business are as follows:

Flat Rate	First 10,000 Miles	Miles over 10,000
Car or van	45p	25p
Motorcycle	24p	24p
Bicycle	20p	20p

Income Tax and NICs are due when allowances exceed these rates. Employees can claim tax relief on any shortfall.

Rates of up to 5p per mile, per passenger, are also tax and NIC free when paid for the carriage of fellow employees in a car or van on the same business trip.