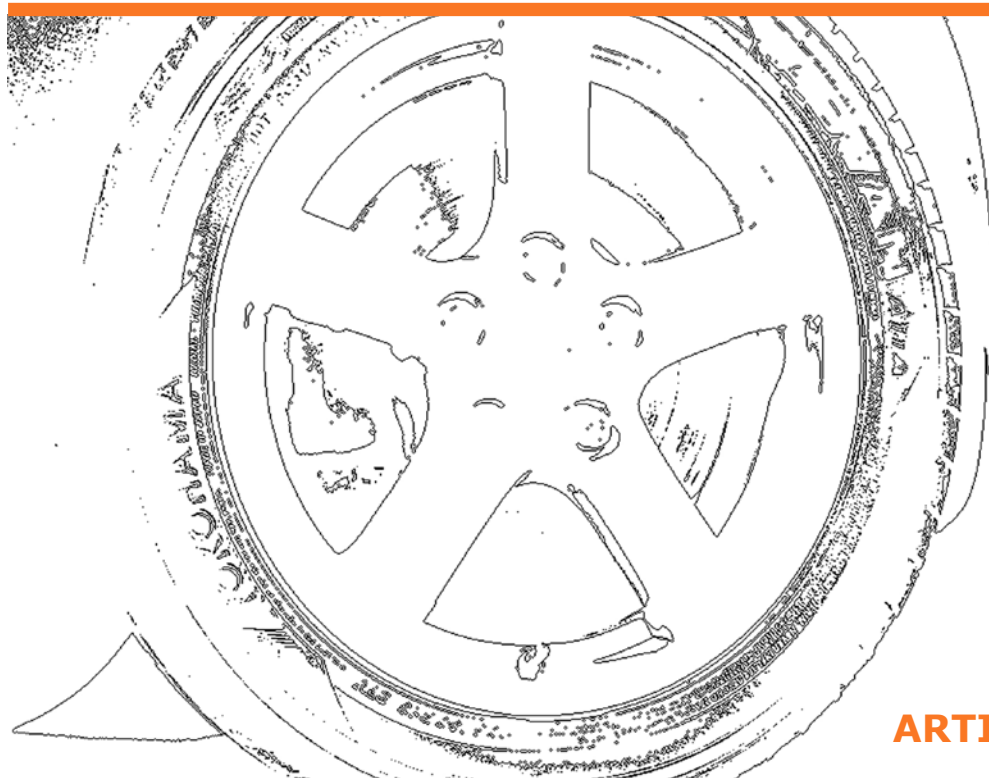


Knowledge

BANK



ARTICLE 25

Advisory fuel rates

Advisory fuel rates

Tax on business fuel

If you pay for business mileage driven in company cars by your employees, no income tax or Class 1 or 1A National Insurance contribution arises so long as the payments do not exceed these amounts:

Refunded per mile			
cc	Petrol	Diesel	LPG
Under 1401	11p	11p	7p
1401-2000	14p	11p	8p
Over 2000	20p	14p	12p

These are advisory rates. If you can demonstrate the actual cost was higher you can use a higher amount.

These figures apply from 1 December 2009 and may be changed by the government part way through the year if fuel costs move by more than 10%. If you pay a driver above these levels, the surplus is taxable. HM Customs & Excise will also accept these rates for VAT purposes.