



Vehicle Expenses/Mileage Claims—Tourism

General Information—Claims for driving tourists

There are two options for individuals to make claims for expense relating to tourist driving.

Only one claim can be made—either mileage rate plus MOT/Insurance costs **or** total actual expenses incurred.

Office Concession - Mileage Rate

There is no provision under the Taxes Ordinance for the mileage rate however those driving tourists can claim 40p per mile for trips in the season. The FIG Management Code used 40p per mile and to ensure equal treatment FIGTO use the same rate.

In cases where an individual has let another person use their vehicle for the purpose of tourist driving, the owner incurs wear and tear on their vehicle and in most cases the person using their vehicle pays for the fuel.

Again, to save the need of accurate record keeping, personal use adjustments etc, it has been agreed that the 40p mileage rate can be split as follows:

- Wear and tear mileage rate 20p per mile
- Fuel mileage rate 20p per mile

Each person should declare their gross income and then claim the applicable rate. In addition 2 claims for actual costs can be made for insurance and MOT.

Additional Allowable Claims

If using the mileage claims taxpayers are also eligible to claim the following:

- Cost of insurance specifically to cover them for driving fare paying passengers
- Additional amount to cover the cost of MOT (review only and not the cost of repairs) limited to a maximum of **£25** per vehicle

Since the introduction of the mileage rates the regulations and rules allowing those to drive tourists have changed which has resulted in drivers being required to have additional insurance and a completed MOT on their vehicles before they are able to drive.

Please note that the mileage allowance is an office concession only.

Actual Expenses Incurred

This is the strict approach, where expenses can be claimed under Section 97, TO1997.

An accurate record of expenses incurred for the tourist driving will need to be kept e.g. receipts/invoices.

Any private use of the vehicle will require relevant adjustment to the expenses. You may need to evidence to the Tax Office that you have accurately split the expenses for personal use.

Note: for both method of claiming expenses, any expenses for home to work travel are not allowable tax deductions.