



MAITLAND

Business Travel Guide

A Maitland Guide for: Limited Companies

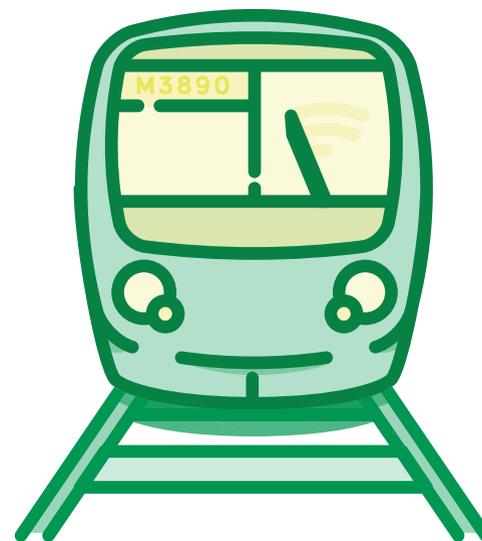
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What can I claim?

As a director or employee of your limited company, you can claim tax and NICs relief on the cost of each journey that qualifies as 'business travel.' For journeys that qualify, you can also claim associated incidental and overnight expenses, like food and hotel rooms.

During 'business travel' you can claim:

- ✓ Travel costs – like fuel or train tickets
- ✓ Parking fees, tolls & congestion charges
- ✓ Accommodation – a hotel room or similar
- ✓ Incidental costs – like newspapers & laundry
- ✓ Meals – food & drink





What qualifies as ‘business travel’?

To qualify, your journey must meet HMRC’s strict business travel criteria – each journey you take must tick one of three boxes. It must involve:

- ✓ Travel to a temporary workplace – eg. from home to a new client’s office; or
- ✓ Travel between workplaces – eg. from your London office to your Brighton office; or
- ✓ Travel between other business appointments – eg. from a meeting to a conference

! Your ordinary daily commute from home to a permanent workplace does not qualify, unless:

- > you travel via a temporary workplace (this is known as ‘triangular travel’); or
- > if ‘home’ counts as a workplace (see p3: How to prove that home is a workplace)

Permanent Workplace

This is where you:

Spend the whole duration of your employment contract (your main office)

or you:

Spend more than 40% of your work time, for at least 24 months

Temporary Workplace

This is where you:

Work for a short period of time or for a temporary purpose

or you:

Spend less than 24 months working there



What if 'home' is my permanent workplace?

If you work from home, your journeys to client sites or other appointments can qualify as business travel, providing 'home' is your permanent workplace. Where this is the case, your home office falls under the same rules as a permanent office based elsewhere.

How to prove that 'home' is a workplace

It's important you make it crystal clear to HMRC that your home is a permanent workplace, and not just somewhere you occasionally do the books.

You can do this by:

- > Keeping a record of the business activities you do at home
- > Registering the company's office at your home address
- > Conducting billing and admin duties here, as well as fee-earning tasks
- > Basing out-of-hours services at home eg. an emergency phone line
- > Agreeing with a contractor that certain work (like report writing) should be done at home





Does IR35 affect your travel claims?

As of April 2016

- › **IR35 may affect your travel claims** if HMRC deem you to be 'employed' by an intermediary – for example, this intermediary could be your limited company, an umbrella company or a recruitment agency.
- › **If you are 'employed' by an intermediary**, you cannot claim for home-to-work travel or associated expenses. This is because your client's workplace is viewed as 'permanent,' so your journey won't qualify as 'business travel'.

To make sure that your services fall outside IR35 where possible, we recommend having your contracts reviewed by our approved insurance broker, Qdos Contractors.

For more info on recent changes to IR35, see our IR35 [good to know guide](#) and HMRC's IR35 guide.

Unusual business journeys

Business journeys that fall outside the norm can throw up certain issues, and may be liable for tax.

Here are two examples to watch out for:

- › **As a sales rep, bus driver or pilot**, it's likely that you'll travel from home to a depot or sales patch each day before commencing your daily business journeys. However, since the depot is classed by HMRC as your 'permanent workplace,' you cannot claim for your daily commute from home to the depot. However, you can claim for journeys from the depot to other work-related sites or destinations.
- › **If you have several clients at one site** and your daily journey to work follows a similar route, HMRC may try to group these temporary workplaces as one permanent workplace. This means you may have to prove that each client is separate, particularly if you spend more than 40% of your time at the combined sites.

For more advice on business travel oddities, speak to our experts on 01825 748308



Need help?

For more advice on business travel,
speak to our team on 01825 748308

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