

2011 No. 896

INCOME TAX

**The Approved Mileage Allowance Payments (Rates)
Regulations 2011**

<i>Made</i>	- - - -	<i>23rd March 2011</i>
<i>Laid before the House of Commons</i>		<i>23rd March 2011</i>
<i>Coming into force</i>	- -	<i>6th April 2011</i>

The Treasury make the following Regulations in exercise of the power conferred by section 230(6) of the Income Tax (Earnings and Pensions) Act 2003(a).

Citation, commencement and effect

1.—(1) These Regulations may be cited as the Approved Mileage Allowance Payments (Rates) Regulations 2011.

(2) These Regulations come into force on 6th April 2011 and have effect for the tax year 2011 – 12 and subsequent tax years.

Amendment to section 230 of the Income Tax (Earnings and Pensions) Act 2003

2. In the “Rate per mile” column of the table in section 230(2) of the Income Tax (Earnings and Pensions) Act 2003 (the approved amount for mileage allowance payments) for “40p” substitute “45p”.

23rd March 2011

Michael Fabricant
James Duddridge
Two of the Lords Commissioners of Her Majesty’s Treasury

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend section 230(2) of the Income Tax (Earnings and Pensions) Act 2003 (“the Act”).

Chapter 2 of Part 4 of the Act provides for an exemption from liability to income tax in respect of amounts paid to an employee for expenses related to the employee’s use, as a driver, of a privately owned vehicle, which includes a car or a van, for business travel. Such mileage allowance payments are approved if, or to the extent that, the total amount paid to an employee for a tax year does not exceed the approved amount applicable to the kind of vehicle. The approved amount is the number of miles of business travel by the employee in the tax year in question multiplied by the rate applicable to the vehicle. For cars and vans the rates applicable are 40 pence per mile for the first 10,000 miles of business travel and 25 pence per mile of business travel after that.

Regulation 2 of these Regulations amends the rate applicable to cars and vans. With effect from 6th April 2011 the rate applicable for those vehicles will be 45 pence per mile for the first 10,000 miles of business travel, and 25 pence per mile of business travel after that.

A Tax Information and Impact Note assessing the effect this instrument will have is available on the HMRC website at <http://www.hmrc.gov.uk/thelibrary/tiins.htm>.

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