

# Directors' & Employees' Motoring Expenses

The Revenue Commissioners have produced a Statement of Practice that sets out the tax treatment of the reimbursement of expenses of travel and subsistence to office holders (including directors) and employees. It is available on the Revenue website at [http://www.revenue.ie/en/practitioner/law/sp\\_it\\_2\\_07.pdf](http://www.revenue.ie/en/practitioner/law/sp_it_2_07.pdf).

## Re-imbursement by Flat-Rate kilometric/mileage allowances

Where employees use their private cars for business purposes re-imbursement in respect of allowable motoring expenses can be made by way of flat-rate kilometric/mileage allowances without specific Revenue approval.

**Expenses which are incurred by employees in travelling to and from the place of employment are not allowable for tax purposes and any re-imbursement of these expenses must be treated as pay.**

The system applies where the car is owned by the employee and all motoring expenses are met by the employee. Employees would be expected to provide to their employer a record showing, for each business journey:

- The date of the journey
- The reason for the journey
- The distance (km or miles) involved.

## Rates per mile Effective from 5 March 2009

Official Motor Travel in a calendar year	Engine Capacity up to 1200cc	Engine Capacity 1201cc to 1500cc	Engine Capacity 1501cc and over
Up to 4000 miles	62.94 cent	74.42 cent	95.05 cent
4001 and over	34.13 cent	38.00 cent	45.79 cent

## Reduced Motor Travel Rates Effective from 5 March 2009

Engine Capacity up to 1200cc	Engine Capacity 1201cc to 1500cc	Engine Capacity 1501cc and over
23.55 cent per mile	26.76 cent per mile	31.36 cent per mile

## Rates per kilometre Effective from 5 March 2009

Official Motor Travel in a calendar year	Engine Capacity up to 1200cc	Engine Capacity 1201cc to 1500cc	Engine Capacity 1501cc and over
Up to 6437km	39.12 cent	46.25 cent	59.07 cent
6438km and over	21.22 cent	23.62 cent	28.46 cent

## Reduced Motor Travel Rates Effective from 5 March 2009

Engine Capacity up to 1200cc	Engine Capacity 1201cc to 1500cc	Engine Capacity 1501cc and over
14.64 cent per km	16.64 cent per km	19.49 cent per km

# Directors' & Employees' Subsistence Expenses

Payments by an employer which do no more than re-imburse an employee for allowable subsistence expenses which were actually incurred, may be made tax-free in certain circumstances, in accordance with legislation. The expenses concerned must have been incurred "wholly, exclusively and necessarily" in the performance of the duties of the employment.

## Re-imbursement by Flat-Rate allowances or vouched expenses

Where an employee performs the duties of the employment while temporarily away from his/her normal place of work or is working abroad on a foreign assignment, allowable subsistence expenses can be re-imbursed on the basis of either:

### 1. Acceptable Flat-Rate allowances

Re-imbursement of subsistence expenses up to the level of the prevailing schedule of Civil Service rates where the employee bears the relevant subsistence expenses (including accommodation and meals, as appropriate). The Revenue Commissioners should be notified where such a scheme is used. However, formal approval to use the scheme is not required. The employees would be expected to provide to their employer a record showing, for each temporary absence from their normal place of work:

- The date(s) and duration of the absence
- The reason for the absence and
- The location(s) involved.

### 2. Actual expenses which have been vouched with receipts

Where an employee's allowable expenses are re-imbursed tax-free in these ways by an employer, then an income tax claim by the employee for those expenses does not arise. Time spent at the normal place of work and on journeys between home and the normal place of work, do not reckon as a qualifying absence. Normal place of work is the place where the employee normally performs the duties of the office or employment. The employer's business premises will be regarded as the normal place of work for the employee where travel is an integral part of the job involving daily appointments with customers or when the duties of the employment are performed at the various premises of the employer's customers but substantive duties are also performed at the employer's business premises. The employee's home would not be regarded as the normal place of work unless there is an objective requirement that the duties of the office or employment must be performed at home. It is not sufficient for an employee merely to carry out some of the duties at home.

## Schedule based on current Civil Service Subsistence Rates

Domestic Subsistence rates from 5 March 2009				
Overnight rates			Day Rates	
Normal Rate	Reduced Rate	Detention Rate	10 hours or more	5 hours but less than 10 hours
-absences up to 14 nights	-each of next 14 nights	-each of next 28 nights		
€108.99	€100.48	€54.48	€33.61	€13.71

### Overnight Allowance (over 24 hours absence)

An overnight allowance covers a period of 24 hours from the time of departure, as well as any further period not exceeding 5 hours, which is necessarily spent away from the normal place of work. Where an absence exceeds 24 hours, a day allowance at the appropriate rate may be paid only if the last period of 24 hours is exceeded by 5 or more hours.

### Day Allowance

A day allowance applies to continuous absence of 5 hours or more, provided the absence is not at a place within 5 kilometres of the employee's home or normal place of work.