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TO ALL CPA MEMBERS

17th March 2023

Dear Member

IMPORTANT

Please forward this to your Managing Director and to the Manager of your Payroll Department.

**TRAVELLING ALLOWANCES IN THE
PLANT HIRE INDUSTRY 2023/24**

1. Taxation of Travel Expenses when Working at Temporary Sites

From the 6th April 2002, employers did not need to apply for a dispensation for mileage allowance payments for operators travelling between home and the site in / on their **own vehicle**. It could NOT be used when the operator is travelling to their designated depot base.

Payments are tax-free as long as they are for business travel and do not exceed the authorised maximum payments. If you pay above the maximum, you cannot have a dispensation for the excess.

The authorised maximum payments for 2023/2024 have not changed since the previous year. You will see that there are also authorised rates for travel by motorcycle or bike. More information about the authorised rates can be found on the HM Revenue and Customs (HMRC) website – www.hmrc.gov.uk

There were no changes to the mileage rate allowance announced in the Chancellor's Budget.

Type of Vehicle	Rate per mile for the first 10,000 miles	Rate per mile for all subsequent miles
Car or Van	45p	25p
Motorcycle	24p	24p
Bicycle	20p	20p

Members are reminded that the above mileage rates are the MAXIMUM that can be paid tax-free. Employers can agree mileage rates with their employees at a lower level if they so wish.

If the Member Company decides to set a lower mileage rate to the figures shown above, then the employee would qualify for a tax refund on the difference. The refund would come from the HMRC via the individual employees own tax return, and would reflect the difference between what his employer paid and the maximum payment allowed tax-free.

2. **Subsistence (Lodging) Allowances (Tax Free)**

At this time of year, we send you the latest agreement with Her Majesty's Revenue and Customs (HMRC) regarding the annual rates agreed for the Taxation of Travelling and Subsistence Allowances to take effect from the 6th April.

In 2012, the CPA informed the Membership that HMRC would not be prepared to negotiate a new rate for the tax-year 2012/2013 or beyond; **but were prepared to maintain the blanket dispensation at the current rates - £38.23 per night within the M25, and £31.85 per night outside the M25.**

HMRC had confirmed that with effect from the 6th April 2013, each Member company would have to effectively make its own arrangements with their workforce regarding the level of subsistence allowance to be paid and would also need to arrange a dispensation (to obtain an Approval Notice) with their local tax office.

For further information, please contact your local HMRC office or visit the HMRC website on www.hmrc.gov.uk

Yours sincerely



DAVID SMITH
Legal Manager