

PANDLE GUIDE

Working Out Your Business Mileage

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Sneak peek.

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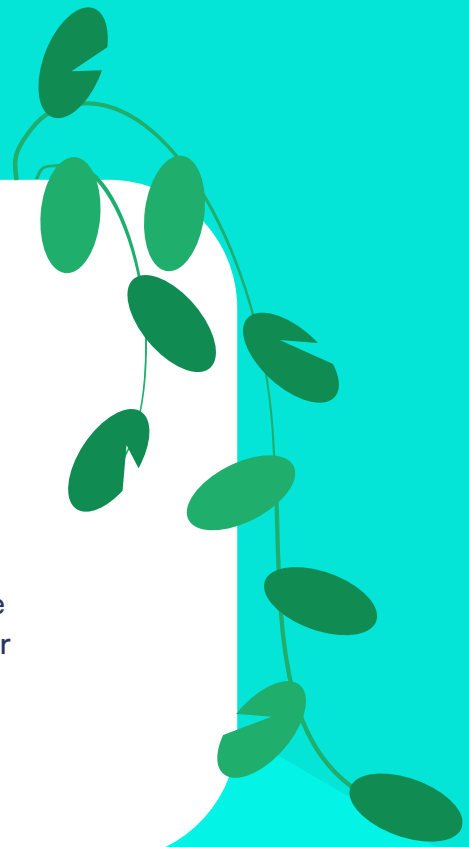
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What is a Business Mileage Claim?

Business mileage is a type of expense you may be eligible to claim on your tax return if you use your personal vehicle for work. You'll be able to claim back the costs as per HMRC's set mileage rate - reducing your taxable profit.





Sadly, not every trip is classed as a business expense. That includes your trips to McDonalds at lunch time. We don't make the rules.

Claimable trips include:

- ✔ Visiting a client
- ✔ Traveling to suppliers
- ✔ Attending training or conferences
- ✔ Going to a temporary work site

A temporary work site means you spend less than 40% of your working time there. It becomes a permanent workplace if you're there more than 40% of the time, in which case you'll only be able to claim if you expect to work at that site *no longer* than 24-months.

Important: Your daily commute to your regular place of work (for instance, the office that you rent) does *not* count as business mileage.

Keeping Records of Your Mileage.

Keeping a clear record of your business mileage is essential because it:

- Ensures you claim the right amount of tax relief
- Helps you understand how much travel costs your business
- Allows you to plan trips more efficiently

Recording mileage also protects you in case HMRC decide to check the amount of expenses you claim on your tax return.



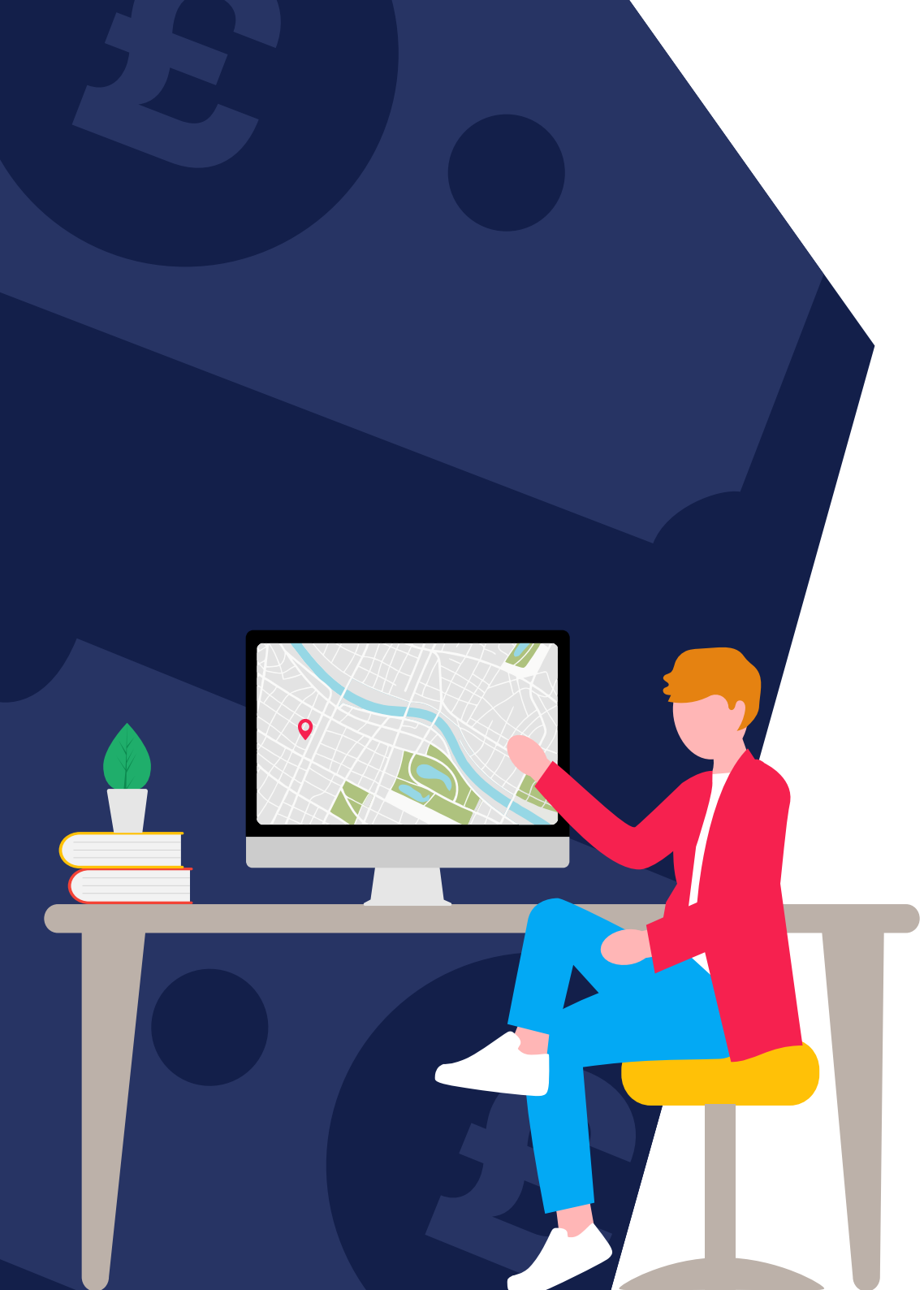
It's important to keep accurate records of your business mileage. Unfortunately, 'to my client and back' doesn't suffice — although that would be the dream.

When recording your mileage you need to include:

- The date of the trip
- Why you travelled (for example, for a client meeting)
- The start and end location
- The beginning and end mileage for each trip
- The vehicle you used

This can be entered into a spreadsheet or tracked through accounting software. Or you can make your life easier by using Pandle's automatic mileage tracker. It will convert your miles straight into a mileage claim in your accounts. No maths required.





Who Can Claim Business Mileage?

You can claim mileage if you are:

- An employee using your own vehicle for work purposes
- Self-employed (sole trader or partner)
- A company director using personal vehicles for company business

Each status has slightly different rules for claiming and tax relief. For example, if you're a limited company director, you're a separate entity from your business. So, you can either use HMRC's approved mileage rates, or have the company cover the costs of a company car (but beware this is often treated as a Benefit in Kind). We explain these rules in more detail on our website.

You'll need to use HMRC's Approved Mileage Allowance Payments (AMAPs) based on the tax year your journey took place:

In 2025/26

- 45p per mile for the first 10,000 business miles
- 25p per mile for every mile above 10,000

In 2026/27

- 55p per mile for the first 10,000 business miles
- 25p per mile for every mile above 10,000

In 2027/28

- 55p per mile for the first 10,000 business miles
- 35p per mile for every mile above 10,000

All three tax years

- 24p per mile for motorcycles, 20p per mile for bicycles

Example: In 2025/26 you drive 12,000 miles in a year for work in your car:

- 10,000 miles × 45p = £4,500
- 2,000 miles × 25p = £500

Total claimable = £5,000





Avoiding Common Mistakes

- **Don’t claim commuting -** Only business trips count
- **Avoid guessing mileage -** Inaccurate records can lead to HMRC disputes
- **Don’t double-claim -** Either claim using the mileage allowance OR work out your actual costs for things like fuel and repairs. Not both.
- **Document the purpose -** Each trip must clearly show it was work-related



Top Tips When it Comes to Claiming Business Mileage

- Track mileage as you go, not at month-end (as tempting as that may be)
- Use apps or software to automate calculations, because you aren't a mathematician (unless you are, in which case, fair play)
- Review mileage logs monthly to spot errors and keep HMRC off your back
- Plan trips to maximise tax-free reimbursement
- Keep logs for 6 years, as HMRC can request historic records at any time!

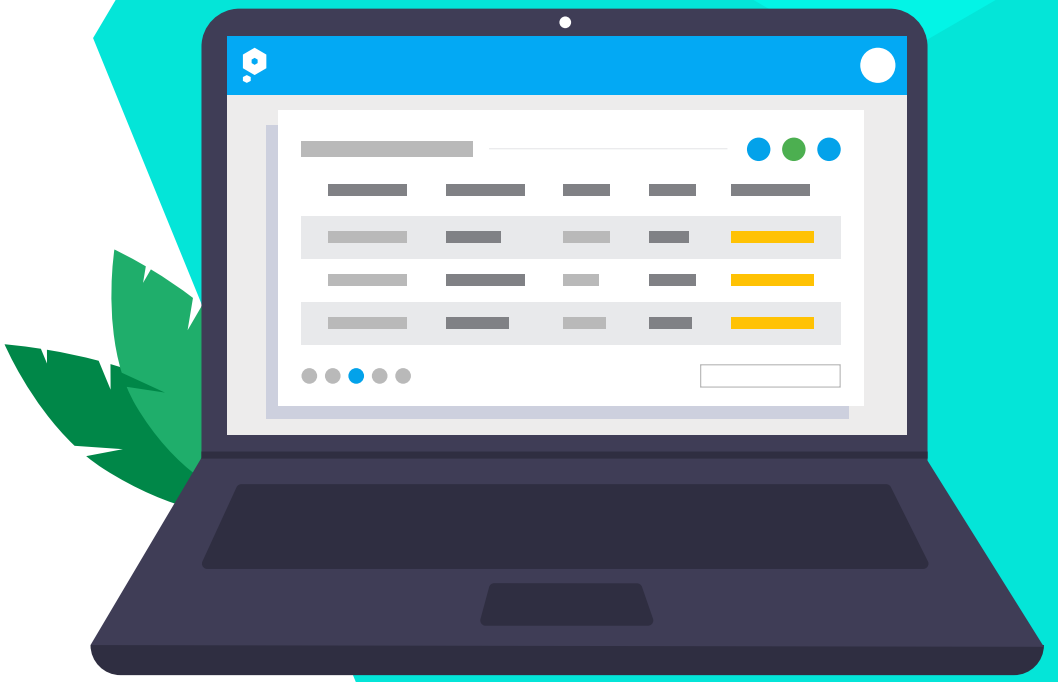
Why Not Use Software That Can Help?

Whether you aren't good at numbers, or you're too busy to care - don't make life difficult for yourself.

Use bookkeeping software that has a built-in mileage tracker. Like Pandle. (Where else did you think we were going with this).

Our automatic mileage tracker lets you convert business miles into mileage claims. You can add multiple vehicles if you're fly like that - and start recording. So, you can focus on the road, whilst we do the rest.

We even have an online mileage calculator - just in case you're only popping in for some sums.



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