



Accountants
Insurance Brokers
Financial Advisers
Corporate Finance
Business Partners

infobytes 2009

SCRUTTON BLAND
CLEAR ADVICE · EFFECTIVE SOLUTIONS

Advisory fuel rates for company cars

Revised rates effective from 1 December 2009

H M Revenue & Customs have published revised advisory fuel rates for company cars. These rates apply to all journeys on or after 1 December 2009 until further notice.

The new rates are as follows:-

| Engine size | Petrol | Diesel | LPG |
|------------------|--------|--------|-----|
| 1400CC or less | 11p | 11p | 7p |
| 1401CC to 2000CC | 14p | 11p | 8p |
| Over 2000CC | 20p | 14p | 12p |

Petrol hybrid cars are treated as petrol cars for this purpose.

The rates are intended to reflect average fuel prices and apply where employers:

- Reimburse employees for business mileage in their company car; or
- Require employees to repay the cost of fuel for private mileage.

H M Revenue & Customs will accept the advisory fuel rates for VAT purposes, though employers will need to retain VAT receipts in line with current legislation.