

Research Briefing

4 April 2023

By Francesco Masala

Mileage Allowance Payments



Summary

- 1 What are Mileage Allowance Payments and who can claim them?
- 2 Approved Mileage Allowance Payments in practice and how they have changed
- 3 Calls for change

Contributing Authors

Antony Seely;
Matthew Keep;
Thomas Powell

Image Credits

Cars in evening traffic by Nabeel Syed – Image cropped. Licensed under Unsplash – no copyright required.

Disclaimer

The Commons Library does not intend the information in our research publications and briefings to address the specific circumstances of any particular individual. We have published it to support the work of MPs. You should not rely upon it as legal or professional advice, or as a substitute for it. We do not accept any liability whatsoever for any errors, omissions or misstatements contained herein. You should consult a suitably qualified professional if you require specific advice or information. Read our briefing [‘Legal help: where to go and how to pay’](#) for further information about sources of legal advice and help. This information is provided subject to the conditions of the Open Parliament Licence.

Sources and subscriptions for MPs and staff

We try to use sources in our research that everyone can access, but sometimes only information that exists behind a paywall or via a subscription is available. We provide access to many online subscriptions to MPs and parliamentary staff, please contact hoclibraryonline@parliament.uk or visit commonslibrary.parliament.uk/resources for more information.

Feedback

Every effort is made to ensure that the information contained in these publicly available briefings is correct at the time of publication. Readers should be aware however that briefings are not necessarily updated to reflect subsequent changes.

If you have any comments on our briefings please email papers@parliament.uk. Please note that authors are not always able to engage in discussions with members of the public who express opinions about the content of our research, although we will carefully consider and correct any factual errors.

You can read our feedback and complaints policy and our editorial policy at commonslibrary.parliament.uk. If you have general questions about the work of the House of Commons email hcenquiries@parliament.uk.

Contents

Summary	4
1 What are Mileage Allowance Payments and who can claim them?	7
1.1 Mileage Allowance Payments	7
1.2 Approved Mileage Allowance Payments	7
1.3 Passenger allowance	9
1.4 Mileage Allowance Payments and volunteers	9
1.5 Does AMAP legislation apply to company cars?	10
2 Approved Mileage Allowance Payments in practice and how they have changed	11
2.1 Scenario 1: Employer reimburses an employee according to the AMAPs rates	11
2.2 Scenario 2: Employer reimburses an employee at a lower rate than the AMAPs rates	12
2.3 Scenario 3: Employer reimburses an employee at a higher rate than the AMAPs rates	12
2.4 How have AMAPs rates changed over the years?	13
2.5 How have motoring costs changed?	14
2.6 How are AMAPs rates calculated?	14
2.7 Sector-specific Mileage Allowance Payment rates	15
2.8 Budget 2023	16
3 Calls for change	17
3.1 Parliamentary proceedings	17
3.2 Other commentary	18

Summary

What are Mileage Allowance Payments (MAPs)?

HM Revenue and Customs defines Mileage Allowance Payments (MAPs) as the amounts paid to employees to reimburse them for using a personal vehicle for business travel. The reimbursement might be paid as a lump sum, a fixed rate per mile, or a reimbursement for the actual expenditure incurred. Reimbursing employee business travel is fully at the discretion of the employer.

What are Approved Mileage Allowance Payments (AMAPs)?

MAPs up to a certain amount are not taxed (as set out in sections 229 to 236 of the [Income Tax \(Earnings and Pensions\) Act \(ITEPA\) 2003](#)). This non-taxable amount varies depending on the vehicle type and total mileage. These amounts are called the Approved Mileage Allowance Payments (AMAPs).

[Employers can set whatever \(if any\) level of mileage reimbursement they want.](#) However, any MAPs exceeding the **AMAP** rate may be liable for tax.

The Treasury can change AMAPs through regulations. While the ITEPA 2003 only creates an income tax exemption, a similar tax exemption exists for National Insurance Contributions (NICs) under the [Social Security \(Contributions\) \(Amendments\) Regulations 2002](#). AMAP rates apply to electric vehicles as well.

[AMAPs rates were introduced to increase simplicity](#) in businesses' administration. This is because any mileage reimbursement within the total AMAP does not have to be declared to HM Revenue and Customs and is not liable for income tax or NICs.

How are AMAPs rates calculated?

There is no specific calculation involved in setting out AMAPs rates. The Government has said [the rates are a policy decision](#) taken after considering

issues including the cost of motoring (such as fuel, insurance, etc), the cost to the public purse of changing the rate, and the overall fiscal position.

Mileage Allowance Relief

Where an employer offers a mileage reimbursement below the AMAP level, or no reimbursement at all, [individuals can apply for Mileage Allowance Relief](#). This relief covers the shortfall between the mileage reimbursement provided by the employer and the AMAP limit.

AMAPs rates over the years

Current AMAPs rates are shown in the table below:

Approved mileage rates			
Vehicle	First 10,000 business miles in the tax year	Each mile over 10,000 in the tax year	
Cars and vans	45p/mile	25p/mile	
Motorcycles	24p/mile	24p/mile	
Bicycles	20p/mile	20p/mile	

Source: UK Government, [Tax relief for your job expenses – vehicles you use for work](#), GOV.UK, accessed on 6 March 2023

These rates have been at this level since the 2011/12 financial year, when the [Approved Mileage Allowance Payments \(Rates\) Regulations 2011](#) amended the rate for cars and vans for the first 10,000 miles from 40p to 45p per mile.

Calls for change

Interest in AMAPs rates has grown particularly over 2022 and 2023. This reflects the rapid increase in fuel prices which begun in early 2022.

During this period, several organisations (including some NHS trusts and local authorities) increased their individual MAPs. Additionally, bodies such as the [Association for Tax Technicians](#) and [accountancy firm Hillier Hopkins](#) have called for AMAPs rates to be increased to maintain the administrative simplicity of the system.

In September 2022, [trade union Unison argued that AMAP rates should be increased](#) (PDF) since motoring costs had risen by 39%, the cost of fuel had risen by 43% and vehicle maintenance cost had risen by 38% since 2011 (the last time AMAPs rates were increased). For instance, the cars and vans rate

should be increased to 63p per mile for the first 10,000, and 35p per mile for each mile over 10,000.

The topic of AMAPs have often been raised by MPs through Parliamentary Questions, where [they have asked the Government to consider the merits of increasing the rates](#). An Early Day Motion was tabled in October 2022 stating that [AMAPs rates needed urgent review by HMRC](#). The motion has over 100 signatures from MPs of all parties.

To date the Government has not indicated that it intends to increase AMAPs rates. The issue was not mentioned in the [2023 Spring Budget](#) on 15 March.

Further information

The [2002 Library briefing on taxing company cars](#) (chapter 4) has historical information on mileage reimbursement between 1997 and 2003.

1 What are Mileage Allowance Payments and who can claim them?

1.1 Mileage Allowance Payments

Mileage Allowance Payments (MAPs) are defined by HM Revenue and Customs (HMRC) as amounts paid to employees to reimburse them for using a personal vehicle for business travel.¹

MAPs can come in different forms. An employer may pay a certain amount for each business mile travelled, pay a lump sum, or a combination of the two. However, any benefit provided relating to business travel (such as car insurance) would not constitute a MAP.²

1.2 Approved Mileage Allowance Payments

From 2002, MAPs were exempted from income tax so long as the total amount reimbursed was within an approved limit, called the Approved Mileage Allowance Payment (AMAP). This approved limit varies according to mileage travelled and type of vehicle used.³ Originally contained in the Finance Act 2001, this is now set out in sections 229 to 236 of the Income Tax Earnings and Pensions Act 2003.⁴

AMAPs rates can be changed by the Treasury via regulations. This happened in 2011 through the [Approved Mileage Allowance Payments \(Rates\) Regulations 2011](#).⁵

For 2022/23, the approved mileage rates are set out in the table below. Employers are not required to use these rates; they are purely advisory.

¹ HM Revenue and Customs, [Employment Income Manual](#), GOV.UK, para EIM31210

² As above, [para EIM31215](#)

³ [Finance Act 2001, s57](#) (amending the Taxes Act 1988)

⁴ [Income Tax \(Earnings and Pensions\) Act 2003](#), ss 229 to 236

⁵ [The Approved Mileage Allowance Payments \(Rates\) Regulations 2011, SI 2011/896](#)

Approved mileage rates

Vehicle	First 10,000 business miles in the tax year	Each mile over 10,000 in the tax year
Cars and vans	45p/mile	25p/mile
Motorcycles	24p/mile	24p/mile
Bicycles	20p/mile	20p/mile

Source: UK Government, [Tax relief for your job expenses – vehicles you use for work](#), GOV.UK, accessed on 6 March 2023

These rates apply to conventional vehicles as well as electric ones.

When employers reimburse employees for business mileage, employers are not required to report payments so long as they do not exceed the AMAP threshold. Any reimbursement above this amount may be liable for tax and has to be reported to HMRC.⁶

The Government explained in response to a Parliamentary Question that several motoring costs are factored in when AMAP rates are decided:

AMAPs are intended to create administrative simplicity and certainty by using an average rate, which reflects vehicle running costs including fuel, depreciation, servicing, insurance, and Vehicle Excise Duty. As it is an average, the rate is necessarily more appropriate for some drivers than others.⁷

Employers can find guidance on business travel mileage for employees and on the tax and National Insurance Contributions (NICs) treatment of employee travel on the Government website.⁸ HMRC also provides employers with a worksheet to help them with their AMAPs calculations.⁹

AMAP rates and National Insurance Contributions

Aside from income tax, employees may be liable for NICs on their taxable income. NICs are paid in order to qualify for certain benefits and the State Pension.¹⁰

To fully make AMAPs ‘tax free’, an equivalent scheme was created to exempt mileage reimbursements within the approved amount from being charged NICs on the payment.

⁶ UK Government, [Expenses and benefits for employers](#), GOV.UK, accessed on 23 February 2023

⁷ PQ 39773 [on [Car Allowances](#)], 5 September 2022

⁸ UK Government, [Expenses and benefits: business travel mileage for employees’ own vehicles](#), GOV.UK, accessed on 22 February 2023, and HMRC, [Tax and National Insurance contributions for employee travel: 490](#), GOV.UK, 28 March 2014

⁹ HMRC, [PAYE: mileage allowance payments not taxed at source \(P11D WS6\)](#), GOV.UK, updated 6 April 2022 (accessed on 22 February 2023)

¹⁰ GOV.UK, [National Insurance: introduction](#), GOV.UK, accessed on 1 March 2023

The scheme for NICs was introduced in 2002 with the implementation of the [Social Security \(Contributions\) \(Amendments\) Regulations 2002](#).¹¹

1.3 Passenger allowance

If employees are carrying other employees in their own vehicle during a business journey, passenger payments are available at 5p per mile tax free.¹²

1.4 Mileage Allowance Payments and volunteers

Someone who drives their own vehicle for volunteering purposes can benefit from a complementary scheme.

The Government explains that AMAPs rates apply to volunteers as well – and that for volunteer drivers, “payment of your expenses is not usually liable for Income Tax” or NICs.¹³

Organisations may choose to reimburse the **actual amount** a volunteer has on business mileage. Since this would not result in the volunteer receiving a profit, this reimbursement would not be liable for Income Tax and NICs.

The Government explained in a written statement that the reimbursement of the actual expenditure is only exempt from tax for volunteer drivers.¹⁴

Where a volunteer has made a profit (either via exceeding the AMAPs threshold, or by receiving a reimbursement that is higher than the actual expenditure) that amount may be liable for tax.¹⁵

¹¹ HMRC, [National Insurance Manual](#), GOV.UK, 16 February 2023, para NIM05801 (accessed 17 February 2023) – HMRC further specifies that although the income tax and NICs schemes are aligned as much as possible, it should not be assumed that the exact same rules apply to both in the same way. The legislation is consolidated in the [Social Security \(Contributions\) Regulations 2001](#), as amended

¹² UK Government, [Expenses and benefits: business travel mileage for employees' own vehicles – Passenger payments](#), GOV.UK, accessed on 20 February 2023

¹³ HMRC, [Check if you need to pay tax on mileage payments as a volunteer driver](#), GOV.UK, 20 April 2018 (accessed on 20 February 2023)

¹⁴ HC Deb [5 September 2022](#), c12WS

¹⁵ HC Deb [5 September 2022](#), c12WS

1.5

Does AMAP legislation apply to company cars?

AMAP legislation only applies to mileage payments given to employees who drive their own vehicle for business purposes. Therefore, the tax exemption does **not** apply to company vehicles.

However, HMRC explains that the definition of an employee's 'own' vehicle does not mean the vehicle has to be directly owned by the employee. For instance, if the employee was using their spouse's vehicle for business purposes, they would be eligible for AMAPs.¹⁶

The Library briefing on [direct taxes rates and allowances for 2022/23](#), has details on allowances and reliefs for company cars in chapter 3.¹⁷ HMRC has also published guidance on rates and allowances for company cars and vans.¹⁸

¹⁶ HMRC, [Employment Income Manual](#), GOV.UK, 17 January 2023, para EIM31255 (accessed 17 February 2023)

¹⁷ Commons Library Briefing CBP-9489, [Direct taxes: rates and allowances 2022/23](#)

¹⁸ HMRC, [Travel – mileage and fuel rates and allowances](#), GOV.UK, 6 April 2022

2 Approved Mileage Allowance Payments in practice and how they have changed

2.1 Scenario 1: Employer reimburses an employee according to the AMAPs rates

As the Government explains, AMAPs rates are intended to simplify employers' administration. Employers can use AMAPs rates to calculate reimbursements to employees who use their vehicles for business purposes.¹⁹

Box 1 shows what this can look like in practice. The Low Incomes Tax Reform Group (LITRG) has also published guidance for people using their own cars for business purposes, which also has practical examples of the application of mileage rates.²⁰

Box 1

Sheila is employed by her company and often has to drive her car to sell products door-to-door.

Her employer has said she will be reimbursed according to the UK Government's mileage rates. Records are kept of Sheila's mileage for business purposes.

For tax year 2021/22, Sheila has travelled 14,000 miles in her own vehicle. Her company calculates her Approved Mileage Allowance Payment as follows:

- 45p per mile for the first 10,000 business miles: £4,500
- 25p per mile for the remaining 4,000: £1,000

Therefore, Sheila will be reimbursed a total of £5,500. Since this is within the AMAPs rates, her employer does not have to report this sum to HMRC.

Since this is within the Approved Mileage Allowance, this payment will be free of income tax and National Insurance charges.

¹⁹ See, for instance, PQ 140229 [on [Driving: Costs](#)], 9 February 2023

²⁰ Low Incomes Tax Reform Group (LITRG), [What if I use my own car for business purposes?](#), updated 8 November 2022 (accessed on 23 February 2023)

2.2

Scenario 2: Employer reimburses an employee at a lower rate than the AMAPs rates

The Government explains that employers do not have to follow AMAPs rates. Employers can choose to offer a mileage reimbursement that is lower than the Government's statutory mileage rates. An employer does not have to give mileage reimbursements at all.²¹

In these cases, employees can claim any shortfall back through the Mileage Allowance Relief (MAR).²² The MAR is the only relief available when it comes to mileage allowance for personal vehicles.

If an employee's actual expenditure is greater than the AMAP limit, they will only receive relief up to the AMAP limit; they will receive no additional relief.²³

Box 2 shows an example of this in practice.

Box 2

Sheila moves to a new company where she's expected to deliver similar services to her previous role, including driving her own car for business purposes. Her employer has said she will be reimbursed 20p per business mile driven.

In the tax year, Sheila travels 14,000 business miles in her own car. Her employer reimburses her £2,800.

Since her employer's mileage reimbursement is lower than the Approved Mileage Allowance Payments rates, Sheila claims for Mileage Allowance Relief on the shortfall of 25p per mile for the first 10,000 miles, and 5p per mile for the following 4,000 miles.

2.3

Scenario 3: Employer reimburses an employee at a higher rate than the AMAPs rates

It may also be the case that an employer reimburses someone's business mileage at a higher rate than the Government's AMAPs rates. This could include instances where an employer is reimbursing the actual expenditure

²¹ PQ 130103 [on [Car Allowances](#)], 30 January 2023

²² UK Government, [Claim tax relief for your job expenses – Vehicles you use for work](#), GOV.UK, accessed on 1 March 2023

²³ HMRC, [Employment Income Manual](#), GOV.UK, 17 January 2023, para EIM31335

incurred by the employee while driving for business purposes. However, since this payment is higher than the AMAPs rates, the employer has to report the profit incurred by the employee, and the sum is liable for income tax and National Insurance Contributions.²⁴

Box 3 shows how this works in practice.

Box 3

Sheila's employers change their mileage reimbursement rules and agree that those travelling in their own vehicles for business reasons would be reimbursed at 60p per mile, regardless of the total distance driven in a tax year.

In that tax year, Sheila travels 14,000 miles for business purposes. She receives a payment of £8,400 from her company for her mileage. This is £2,900 higher than what she would have received had her company reimbursed her according to the Approved Mileage Allowance Payments rates.

The £2,900 excess that Sheila receives is therefore liable for income tax and National Insurance Contributions, and her employers will have to report this expenditure.

2.4

How have AMAPs rates changed over the years?

Since the establishment of AMAPs in 2002, the rates have broadly remained the same. The only change was implemented in 2011, when the approved mileage payment for cars and vans for the first 10,000 miles of business travel increased by 5p to 45p, via the enactment of the Approved Mileage Allowance Payments (Rates) Regulations 2011.

This change was originally announced in the Budget 2011 speech, when then Chancellor George Osborne said that mileage rates had not increased since 2002, "making those who depend on their car for work increasingly worse off".²⁵ At the time, HMRC published a Tax Information and Impact Note on the increase, stating the measure would cost the Treasury £35 million a year for the five-year forecast period to 2015/16.²⁶

²⁴ HMRC, [Employment Income Manual](#), GOV.UK, 17 January 2023, para EIM31235

²⁵ HC Deb [23 March 2011](#), c964

²⁶ HMRC, [Approved Mileage Allowance Payments](#), GOV.UK, 23 March 2011

There is no assumption that AMAPs rates will be updated each year, either by a fixed amount or by the rate of inflation.

When asked by Tim Farron (Liberal Democrat) in February 2023 whether the Government would regularly update AMAPs rates in line with costs of vehicle use, Exchequer Secretary James Cartlidge said the Government kept all taxes under review and did not commit to an increase of the rates.²⁷

2.5 How have motoring costs changed?

The costs involved in running a vehicle have increased since 2011/12 when AMAPs were last revised:

- Prices for the operation of personal transport equipment were around 27% higher in January 2023, compared with 2011/12.²⁸ This category includes a number of costs aside from maintenance and petrol prices, including toll facilities and parking meters, tyres, and driving lessons.
- Prices for maintaining and repairing personal transport equipment were around 37% higher in January 2023, compared with 2011/12.²⁹
- Petrol and oil prices were around 16% higher in January 2023, compared with 2011/12.³⁰

2.6 How are AMAPs rates calculated?

The Government says AMAPs rates “aim to reflect running costs including fuel, servicing and depreciation. Depreciation is estimated to constitute the most significant proportion of the AMAP rates.”³¹

There is no formula for calculating AMAPs rates, nor for increasing them for rising costs. The decision is for the Chancellor, who considers factors including:

²⁷ PQ 137744 [on [Car Allowances](#)], 6 February 2023

²⁸ Office for National Statistics (ONS), [CPI Index 07.2: Operation of personal transport equipment 2015=100](#), 15 February 2023 (accessed on 1 March 2023)

²⁹ Office for National Statistics (ONS), [CPI Index 07.2.3: Maintenance & repairs 2015=100](#), 15 February 2023 (accessed on 1 March 2023)

³⁰ Office for National Statistics (ONS), [RPI: Motoring expenditure: Petrol & oil \(Jan 1987=100\)](#), 15 February 2023 (accessed on 1 March 2023)

³¹ PQ 140229 [on [Driving: Costs](#)], 9 February 2023

- the costs of motoring per business mile for a range of cars and mileages;
- the transport needs of business;
- the cost to the Exchequer of changing the rate;
- the overall fiscal position.³²

2.7

Sector-specific Mileage Allowance Payment rates

Some sectors have specific arrangements for mileage rates. Examples of this are in local authorities and the NHS.

Local authorities

The National Joint Council (NJC) establishes advisory mileage rates for local authorities in England, Wales and Northern Ireland. Scotland's Mileage Allowance Payments (MAPs) rates are decided by each local authority, and individual authorities in England, Wales and Northern Ireland are allowed to set up different mileage reimbursement arrangements as well.³³

Separately, the rates for police staff are also broadly similar to the ones established by the NJC.³⁴

NHS Agenda for Change

The mileage allowance of NHS workers under Agenda for Change agreements is reviewed twice a year, taking into account changes in motoring costs. Agenda for Change (AfC) is the NHS pay system for nurses and other staff directly employed by NHS organisations (with the exception of very senior managers, and staff within the remit of the Doctors' and Dentists' Review Body).³⁵

Current NHS MAPs rates were changed on 1 January 2023, and are as follows:

- Car allowance (per mile): 59p (up from 56p) up to 3,500 miles
- Car allowance (per mile): 24p (up from 20p) over 3,500 miles

³² As above

³³ Unison, [Bargaining on mileage rates](#) (PDF), last updated September 2022 (accessed on 20 February 2023), pp8-9

³⁴ Local Government Association, [Police Staff Council England and Wales Handbook \(updated 21 February 2023\), part 2, section 7](#), accessed on 24 February 2023

³⁵ NHS Employers, [NHS terms and conditions of service \(Agenda for Change\)](#), accessed on 6 March 2023

- Motorcycle allowance (per mile): 30p (up from 28p)³⁶

Similar to local authorities, NHS bodies can implement separate mileage reimbursement arrangements. For instance, NHS Scotland's mileage allowance payments were increased across the board on 1 April 2022 (for instance, the rate for cars up to 3,500 miles became 61p per mile). This enhanced rate was supposed to end on 31 July; however, it was extended "until the UK Staff Council agrees a revised system for reimbursing travel costs".³⁷

2.8

Budget 2023

At the 2023 Budget on March 15, Chancellor Jeremy Hunt did not announce any changes to the current AMAP rates. During the first day of the Budget debate on 15 March, this was raised by Dave Doogan (SNP), who said that increasing mileage rates would have been "well-received", arguing that the current rates did not cover the cost of inflation or motoring. He added that the 45p rate could have increased to approximately 60p.³⁸

Since the Budget, MPs asked the Government whether AMAPs rates would be reviewed in light of the current increase in the cost of living. Exchequer Secretary James Cartlidge responded that, in order to support motorists, the Government had extended the 5p/litre cut to fuel duty originally announced in the 2022 Spring Statement.³⁹ He added that the Government kept AMAPs rates under review, as with all taxes.⁴⁰ A similar question was also asked to the Department for Health and Social Care (DHSC) about mileage rates for NHS workers. Answering, DHSC Minister Will Quince said that in January, the mileage rate for NHS staff had increased to 59p per mile, above the HMRC approved amount.⁴¹

³⁶ NHS Staff Council, [Reimbursement of travel costs – Join statement on behalf of the NHS Staff Council – December 2022](#) (PDF), 16 December 2022, p1

³⁷ The Scottish Government, [Temporary increase to NHS Scotland mileage rates](#) (PDF), 28 December 2022

³⁸ HC Deb [15 March 2023](#), c932

³⁹ PQ 165229 [on [Car Allowances](#)], 21 March 2023

⁴⁰ PQ 173043 [on [Car Allowances](#)], 30 March 2023

⁴¹ PQ 170694 [on [NHS: Car Allowances](#)], 27 March 2023

3 Calls for change

3.1 Parliamentary proceedings

Approved Mileage Allowance Payments (AMAPs) rates have been discussed on a number of occasions in Parliament, with a high number of Parliamentary Questions (PQs) being tabled in the current Parliament, and especially in 2022 and 2023. This reflects the rapid increase in the cost of fuel following the beginning of the war in Ukraine.⁴²

The Library webpage on the [conflict in Ukraine](#) has a number of topical briefings, including on [energy security](#)

In most cases, MPs have asked the Government whether it would increase the AMAPs rates – often, the question has been targeted to support specific sectors, such as the public sector or the NHS. The Government has so far not committed to increase AMAPs rates. However, it has consistently pointed out that such rates are only advisory and that employers are allowed to set Mileage Allowance Payments (MAPs) at different rates if they wished.

The Government has also often pointed out, in response to PQs, that overall AMAPs rates do not only include the cost of fuel. In fact, fuel price only constitutes around a third of total rates. This was specified since, in several cases, PQs asking the Government to increase AMAPs rates asked the question citing the increasing cost of fuel. It is also worth noting that the Royal Automobile Club has documented that other costs involved in driving, rather than just fuel, have increased recently.⁴³

An Early Day Motion (EDM) was tabled on 17 October 2022, with Bob Blackman (Conservative) as primary sponsor. The EDM stated the House noted “that the current mileage rates are outdated and require immediate and urgent review by HMRC to reflect the soaring cost-of-living increases so that these workers can continue carrying out their jobs”.⁴⁴

The EDM has so far received over 100 signatures from MPs of all parties.

⁴² See, for instance, PQ 133159 [on [Car Allowances](#)], 7 March 2022, PQ 138314 [on [Car Allowances](#)], 16 March 2022, PQ 143825 [On [Car Allowances: Care Workers](#)], 28 March 2022, PQ 2690 [on [Voluntary Work: Car Allowances](#)], 19 May 2022, PQ 8134 [on [Public Sector: Car Allowances](#)], 30 May 2022, PQ 13859 [on [NHS: Allowances](#)], 16 June 2022, PQ 25783 [on [NHS: Car Allowances](#)], 30 June 2022, PQ 34994 [on [Self-Employed: Car Allowances](#)], 19 July 2022, PQ 84884 [on [NHS: Recruitment](#)], 16 November 2022, PQ 130103 [on [Car Allowances](#)], 30 January 2023, PQ 140273 [on [Car Allowances: Public Sector](#)], 9 February 2023, and PQ 140275 [on [Community Care and NHS: Travel](#)], 9 February 2023

⁴³ Royal Automobile Club, [RAC Report on Motoring 2022 – The rising cost of motoring](#), accessed on 20 February 2023

⁴⁴ [EDM-464 of 2022-23 \(Cost of using vehicles for work\)](#), tabled on 17 October 2022

3.2

Other commentary

Other organisations have also called for AMAPs rates to increase.

Notably, the **Association of Taxation Technicians (ATT)**, a professional body for people providing tax compliance services in the UK, made representations in relation to the 2023 Budget, to be held on 15 March.

The ATT said “the Government should consider uprating AMAPs given the high levels of inflation experienced in the UK over 2022”.

The ATT said that it wanted to focus on AMAPs as they are likely to be used by employers to reimburse business travel, “thus [affecting] a large number of employees, including those at the lower end of the wage spectrum, such as care workers”.⁴⁵ The ATT added: “these rates are so out of date that employees doing business mileage are effectively left out of pocket.”

While the ATT supported an increase in AMAPs, it did not offer an opinion on the amount they should be uprated by.

Tax advisers and chartered accountants **Hillier Hopkins LLP** also argued in June 2022 that the Government should increase the rate of AMAPs. Natasha Heron, Hillier Hopkins’ tax manager, said they “would recommend that the rate be increased to £0.90 per mile for the next two years”. She added that increasing AMAPs rates would be a more straightforward way to support workers without creating tax complications – and a more targeted way to support employees than reducing fuel duty.⁴⁶

Trade union **Unison** said in April 2022 that it wanted to see HMRC increase the tax-free element of AMAPs rates to avoid increases in payments being offset by higher rates of tax. It added that, out of 3,000 people surveyed who used their car to carry out work, 74% said the current AMAPs did not cover fuel prices.

Unison has been running a campaign to increase MAPs. This campaign was also tied to the cost of parking for NHS workers, which ended in England and Northern Ireland in March 2022.⁴⁷

The trade union has published a template letter for negotiators to support them when asking employers for higher MAPs. The template letter proposes the following rates:

⁴⁵ Association of Taxation Technicians (ATT), [Uprating mileage allowances – Budget Representation by Association of Taxation Technicians](#) (PDF), 26 January 2023

⁴⁶ “[Ministers must increase employee mileage rates’ as costs soar](#)”, Personnel Today [Online], 23 June 2022

⁴⁷ Unison press release, [Health staff risk being driven out by unfair mileage rates and new parking charges](#), says UNISON, 26 April 2022

Unison's proposed increase in mileage rates

Vehicle	First 10,000 business miles in the tax year	Each mile over 10,000 in the tax year
Cars and vans	63p/mile	35p/mile
Motorcycles	33p/mile	33p/mile
Bicycles	28p/mile	28p/mile
Passenger on work journey	7p/mile	7p/mile

Source: Unison, [Bargaining on mileage rates](#) (PDF), last updated September 2022 (accessed on 6 March 2023), p5

These increases were based on to the increases in various motoring costs outlined in section 2.5 of this briefing.

In August 2022, it was reported that LloydsPharmacy and Boots had increased their mileage rates to support employees carrying out work duties in their vehicles.⁴⁸

On 13 February 2023, public service trade union Northern Ireland Public Service Alliance announced the Department of Health had agreed to extend mileage rates by an additional 10p per mile over 3,500 miles. This followed industrial action whereby members withdrew the use of their personal vehicles for work-related duties.⁴⁹

⁴⁸ "[Lloydspharmacy and Boots up mileage rate as fuel prices remain sky high](#)", Chemist and Druggist [Online], 15 August 2022

⁴⁹ Department of Health press release, [Increased mileage rate set to continue for HSC staff](#), 13 February 2023

The House of Commons Library is a research and information service based in the UK Parliament. Our impartial analysis, statistical research and resources help MPs and their staff scrutinise legislation, develop policy, and support constituents.

Our published material is available to everyone on commonslibrary.parliament.uk.

Get our latest research delivered straight to your inbox. Subscribe at commonslibrary.parliament.uk/subscribe or scan the code below:



 commonslibrary.parliament.uk

 [@commonslibrary](https://twitter.com/commonslibrary)