RESOURCE GUIDE · HERMIT BUSINESS SOLUTIONS

Travel & Subsistence: What HMRC Actually Lets You Claim

Getting to a client is deductible. Getting to your desk ***generally isn't, and that line trips more people up than you'd think.***

Why this matters

HMRC draws a sharp line between business travel and ordinary commuting. Get it wrong one way and you're underclaiming; get it wrong the other way and you've created a benefit that should have gone through payroll. The rules cover mileage, meals, parking and overnight stays, and most of it comes down to one question: is this a genuinely temporary trip, or is it really just how you get to work?

Business travel vs ordinary commuting

- Business travel: journeys to a client, a temporary workplace, or between sites for work, generally claimable
- Ordinary commuting: your regular journey from home to your normal, permanent workplace, never claimable, even if you get paperwork done on the train
- A workplace stops counting as "temporary" once you're spending 40% or more of your time there and the arrangement runs (or is expected to run) beyond 24 months

The 24-month rule in practice

Say you're contracted to work at a client's site three days a week. If that arrangement runs, or is set to run, for more than 24 months, the site becomes a permanent workplace once you cross the 40% time threshold, and the travel there stops qualifying, even though it felt temporary when it started. Under 24 months, or below 40% of your time, you're generally still fine.

WORTH A DOUBLE-CHECK

Even a genuinely temporary workplace can get treated as ordinary commuting if the journey there is barely different from your normal commute, same direction, similar distance. There's no fixed cut-off, but HMRC's own guidance tells its officers not to challenge a claim once the extra distance is 10 miles or more each way, so it's journeys inside that gap that are worth a second look before claiming. The same logic carries over to subsistence - if the journey doesn't count as business travel, any meal claim attached to that trip doesn't either.

Mileage: the tax-free rates

Vehicle	Rate	Notes
Car or van, first 10,000 business miles	55p a mile	Rate from 6 April 2026, the first rise in over a decade
Car or van, after 10,000 miles	25p a mile	Same tax year
Motorcycle	24p a mile	No mileage threshold
Bicycle	20p a mile	No mileage threshold

A NOTE FROM HERMIT

Pay more than the approved rate and the excess is taxable and needs reporting on a P11D. Pay less (or nothing) and the employee can claim Mileage Allowance Relief on the shortfall themselves. Either way, keep a mileage log, HMRC will ask for one before it accepts a claim.

Subsistence: what a meal allowance can cover

These are HMRC's published benchmark rates. They only apply to genuine business travel, not to a normal working pattern, and the employee has to have actually paid for a meal.

Time away	Tax-free rate	Condition
More than 5 hours	£5	A qualifying business journey with a meal actually bought
More than 10 hours	£10	Same, for the longer trip
15 hours or more, still travelling at 8pm	£25	The full-day rate
Journey continues past 8pm	Plus £10	On top of the 5 or 10 hour rate

What to do next

- Keep a mileage log for every business trip: date, destination, purpose, miles
- Flag any site or client engagement heading past 24 months so we can review whether it's still "temporary"
- Use the benchmark subsistence rates only for genuine business trips, not a working lunch at your normal desk
- Send us anything borderline before it goes through payroll or the accounts