

WATCH THOSE EXPENSE CLAIMS!

It is not only members of parliament that face difficulties in making expense claims. Many employees regularly make expense claims for costs incurred in their employment and it is important to be aware of current tax regulations.

There are a number of "tax deductible" expenses you might be able to claim. These include the cost of professional fees or subscriptions, business travel and subsistence, tools and specialist clothing. Most claims can be backdated for up to 6 years.

You can find out more about the types of expenses that you can get relief for in the H M Revenue & Customs guide "Tax allowances and reliefs – employees or directors".

You can only get tax relief for allowable expenses. Expenses are allowable if they are for the cost of:

- travelling you had to do whilst doing your job;
- other expenses you had to pay whilst doing your job - and which related only to doing your job.

You cannot claim tax relief from HMRC if your employer has already reimbursed you for the expense.

You would normally claim relief on your self assessment tax return or on a claim form P87, which is available from HMRC.

If you are an employer handling many expense claims for the reimbursement of expenditure incurred by your employees in doing their job, you may want to consider applying for a "dispensation". This, if granted by HMRC, avoids the necessity of reporting expenses and benefits on forms P11D and P9D. There are various requirements but once granted lasts indefinitely.

Our advice:

Please contact us regarding any specific claims you wish to make regarding expenses if you are unsure whether or not they will be allowable expenses.

Also, if you are an employer, contact us if you want us to apply for a dispensation on your behalf.