Private use

Mixed use

Business only

Company car

Employee charges car at home, their employer reimburses the electricity costs

The exemption under s.239 ITEPA 2003 means there is no separate charge to tax under the benefits code where an employer reimburses the employee for the cost of electricity to charge their company car at home. The exemption will only apply providing it can be demonstrated that the electricity was used to charge the company car. Employers will need to ensure that the reimbursement made towards the cost of electricity is solely for the taxable company car and not for any other electric vehicles.

END

Employee charges car at home: their employer reimburses the electricity costs

START

If by reference to mileage, AMAP rules apply for business miles travelled. Any amounts in excess of AMAP rates would be taxable. If less than AMAPs rates, employee may claim appropriate amount of tax relief under MAR for business miles. If a flat-rate amount is paid it is taxed as earnings

END

Business only

Private use

Reimbursement taxed as earnings

END

Employee’s car

Mixed use