

## Self-Assessment Tax Return – Guidance on allowable expenses

Before we start, this is a list of a few forms/documents you may need to provide for your Tax Return completion, should they apply to you:

- your forms P60 'End of Year Certificate', P11D 'Expenses or benefits' or P45 'Details of employee leaving work', payslips or your P2 'PAYE Coding Notice'
- if you work for yourself, your profit or loss account or your business records
- your bank statements, building society passbooks, dividend counterfoils or investment brokers' schedules
- personal pension contributions certificates

This document is designed to provide guidance on allowable expenses. If you have not included these within your accounts, please ensure you do so and make sure you have supporting evidence of these costs. If it is easier to send these separately, please use **page 4** for assistance.

**Please note:** you can only claim expenses for the business costs. We have put some examples for you for guidance.

### Common allowable expenses:

- ✧ Postage
- ✧ Stationery
- ✧ Phone bills
- ✧ Travel costs
- ✧ Staff costs
- ✧ Materials/Stock
- ✧ Insurance
- ✧ Legal fees
- ✧ Bank charges
- ✧ Business premises costs (light, heating, rates etc)
- ✧ Advertising and marketing
- ✧ Training courses and materials
- ✧ Uniform and protective clothing needed for work

#### Example

If your mobile phone bills for the year total £200. Of this, you spend £130 on personal calls and £70 on business. You can claim for £70 of business expenses. You can also work it out as a percentage (eg. 35% of the mobile usage is for business).



## Uniform, work clothing and tools

You can either claim:

- ✧ the actual amount you've spent - you'll need to keep receipts
- ✧ an agreed fixed amount (a 'flat rate expense' or 'flat rate deduction')

Check if your job has an agreed flat rate expense by following this [link](#)

## Car, van and travel expenses

You may be able to claim allowable business expenses for:

- ✧ Vehicle insurance
- ✧ Repairs and servicing
- ✧ Fuel or mileage
- ✧ Parking
- ✧ Hire charges
- ✧ Vehicle licence fees
- ✧ Breakdown cover
- ✧ Train, bus, air and taxi fares
- ✧ Hotel rooms
- ✧ Meals on overnight business trips

You cannot claim for:

- ✧ Non-business driving or travel costs
- ✧ Fines
- ✧ Travel between home and work

You may be able to calculate your car, van or motorcycle expenses using a flat rate (known as simplified expenses) for mileage instead of the actual costs of buying and running your vehicle. Click [here](#) for more information.



## Other allowable expenses you may not have thought of – home costs:

- ✧ Heating
- ✧ Electricity
- ✧ Council Tax
- ✧ Mortgage interest or rent
- ✧ Internet and telephone use

You'll need to find a reasonable method of dividing your costs, for example by the number of rooms you use for business or the amount of time you spend working from home.

### **Example**

You have 4 rooms in your home, one of which you use only as an office.

Your electricity bill for the year is £400. Assuming all the rooms in your home use equal amounts of electricity, you can claim £100 as allowable expenses (£400 divided by 4).

If you worked only one day a week from home, you could claim £14.29 as allowable expenses (£100 divided by 7).

We hope you have found this guide helpful. There is a handy table on the following page that you can use to claim any expenses that are not already included within your bookkeeping or accounts.

*If you have any questions, please do not hesitate to contact us.*



Please complete the following to provide any expenses you would like to claim that **ARE NOT** already included in your accounts. The first two lines in red are examples for guidance. This is for the entire tax year in question.

EXPENSE	TOTAL AMOUNT	CLAIM FULL COST OR PARTIAL COST	NOTES
Heating – home	£800	Part	5 main rooms in home, work 3 days from home
Mobile phone bill	£480	Part	50% used for business

**Declaration:** I confirm that the information I have given is correct and complete to the best of my knowledge and belief. I understand that I may have to pay financial penalties and face prosecution if I give false information that is submitted on my tax return.

Signed \_\_\_\_\_

Print name \_\_\_\_\_

