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Newsflash

HMRC WIN DOCTOR'S BUSINESS MILEAGE CASE

The result of recent First Tier Tribunal hearing on a claim for business mileage expenses may have far reaching consequences.

Key Points

A doctor employed by the NHS, but with private patients has lost a claim for business mileage from his home business base to and from private hospitals, to deal with his private patients. It was accepted that the doctor does have a place of business at home, but that the travel from and to there is not for business purposes.

The decision could have wide implications for all professional self-employed businesses, where the owner carries out significant work at home, but also has another office or base at which they deliver their expertise on a regular basis.

If business mileage is claimed for the outward or return journey from the home business premises, HMRC could now argue that mileage is disallowable.

It is understood that the decision by the Tribunal is likely to be appealed, but in the interim HMRC may apply the outcome of this ruling to outstanding cases, while the outcome of any appeal is awaited.

Each case should always be judged on its own facts. However, HMRC has generally accepted the following journeys as allowable for doctors who have a private practice:

- journeys between private hospitals or other private practice destinations e.g. from a private hospital to a clinic or from a private hospital to see a private patient in their own home or care home;
- emergency call outs starting at the home, but going towards a non-habitual destination, such as a patient in their own

home or care home (emergency calls out to private hospitals or other venues attended in an habitual fashion are not allowable);

- travel to attend training courses, where there is no duality of purpose;
- trips to visit private secretaries, accountants, solicitors, insurers and other professional advisors; and
- travel associated with the collection of evidence or information required for the writing of medico-legal reports or appearance in court as an expert witness.

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