

Contractors can claim expenses for using a bicycle or motorcycle for travel

For cost, health and environmental reasons many contractors choose to use a bicycle or a motorcycle to get to and from their client's site, for which allowances can be claimed.

HMRC publishes these [allowances for the mileage](#) contractors incur getting to work on their own bikes or motorcycles in a similar fashion to claiming mileage allowances for using a car.

Mileage rates for motorbikes and cycles

Contractors can claim mileage allowance relief (MAR) on business travel using their own bicycle or motorcycle to and from their client's location. The standard rules apply to contractors concerning what is their place of work, such as the [24 month expenses](#) rule and the 40% rule.

The rates that contractors can claim for business journeys using their motorcycle or bicycle are:

- o Motor cycles at 24p per business mile
- o Cycles at 20p per business mile

Unlike car mileage there is no lower rate after the first 10,000 miles; these rates apply to the total business mileage incurred by the contractor when travelling to and from work.

No capital allowance

Since April 2002, the cost of purchasing a motorcycle or bicycle cannot be claimed as a tax deductible capital expense. The only expense a contractor can claim is the business mileage, referred to as the mileage allowance relief (MAR).

The mileage claimed for using a bicycle or motorcycle for business travel must be included on the contractor's P11D form at the end of the tax year. Contractors who are directors of their own [limited company](#) will need to complete a P11D.

Contractors working via [contractor umbrella company](#) will also complete a P11D but their umbrella company should handle much of the paperwork for them.

Expenses forms

Mileage logs should be maintained for motorcycles and bicycles in the same way as contractors would file their own expenses forms for cars. HMRC are more relaxed regarding mileage logs for bicycles, but contractors would still be well advised to maintain comprehensive records.

Mileage logs for motorcycles and bicycles should be maintained separately from car mileage logs, as according to HMRC they are different types of vehicle and have differing mileage rates.

This also means that if a contractor uses a car to travel to a client's site on some days and a bicycle on others, the mileage totals are not cumulative so the contractor does not have to add their bicycle mileage to their motoring miles and risk breaching the 10,000 limit for their 40 pence per mile allowance.

If contractors pay themselves a higher mileage amount than the approved HMRC allowance they may be liable for additional tax and National Insurance Contributions.

Contractors who run their own limited company should complete their expenses forms at least monthly and pay their travel and subsistence costs from their business bank account into their personal account.

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