

## Ltd Company - Company Car

- The company can reclaim costs but.....
- You will be taxed on personal use as a Benefit in Kind
- There is also a Benefit in Kind if the business pays for private fuel.
- Commuting to work place is considered to be personal use.
- VAT cannot be claimed on a company car unless it is for business use only i.e. a pool car, taxi, driving instructor vehicle
- Where a car is leased, unless it is entirely for business use only 50% of the VAT can be reclaimed
- You can only claim restricted Capital Allowances on a company car dependent on emissions.
- Can claim mileage for business miles in a personal car at 45p.



## Sole Trader - Business Car

- No concept of “company car” as there is no legal distinction between you and your business.
- Business element of motor expenses can be set against business profits or can claim business mileage against profits.
- You can claim a percentage of the cost of the car as capital allowances to set against tax.

Limited Co

Sole Trader

## Ltd Company - Company Van

- Need to ensure the vehicle classes as a van.
- As with the car, you will be taxed on personal use as a Benefit in Kind
- There is also a Benefit in Kind if the business pays for private fuel.
- Commuting to work place is considered to be personal use.
- The full VAT can be reclaimed on a company van.
- You can claim the full value for Capital Allowances.



## Sole Trader - Business Van

- As with the car, there is no concept of “company van” as there is no legal distinction between you and your business.
- Business element of motor expenses can be set against business profits or can claim business mileage against profits.
- Can claim a percentage of the cost of the van as capital allowances to set against tax.
- The VAT can only be reclaimed if you use it only for business



**Bickerstaff & Co**  
Chartered Accountants

01736 755107

[info@bickerstaffaccountancy.co.uk](mailto:info@bickerstaffaccountancy.co.uk)