

GMS Flash Alert



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Ireland - April Brings Changes to Tax-Free Travel and Subsistence Rates

Ireland’s Minister for Public Expenditure and Reform recently published circulars containing revised maximum rates of motor travel and subsistence allowances.¹ These apply from 1 April 2017.

Where certain conditions are met, motor travel and subsistence allowances based on Civil Service rates and criteria can be paid to employees tax free.

WHY THIS MATTERS

The revised maximum rates set out in this newsletter apply from 1 April 2017. In light of this, employers might wish to review their policies and the level of motor travel and subsistence allowances that they pay. Flat-rate allowances paid in excess of these rates are taxable via employer payroll tax withholding.

Tables for Motor Travel and Subsistence Rates

Domestic Subsistence Allowances

Domestic subsistence allowances from 1 April 2017				
Overnight rates			Day rates	
Normal rate	Reduced rate	Detention rate	10 hours or more	5 hours but less than 10 hours
€133.73	€120.36	€66.87	€33.61	€14.01

Employers are reminded that the daily subsistence allowance is not payable for an absence on business that is within 8 kilometres of the employee’s normal place of work or home. The overnight allowance will not generally be payable in respect of an absence on business that is within 100 kilometres of an employee’s home or normal place of work.

Motor Travel Rates per Kilometre

Motor Travel Rates per Kilometre from 1 April 2017				
Distance Bands		Engine Capacity up to 1200cc	Engine Capacity 1201cc to 1500cc	Engine Capacity 1501cc and over
Band 1	0 – 1,500 km	37.95 cent	39.86 cent	44.79 cent
Band 2	1,501 – 5,500 km	70.00 cent	73.21 cent	83.53 cent
Band 3	5,501 – 25,000 km	27.55 cent	29.03 cent	32.21 cent
Band 4	25,001 km and over	21.36 cent	22.23 cent	25.85 cent

FOOTNOTE:

1 Department of Public Expenditure and Reform, Circular 06/2017: Domestic Subsistence Allowances, 6th March 2017; Department of Public Expenditure and Reform, Circular 05/2017: Motor Travel Rates, 6th March 2017.

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Contact us

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