

Employment Tax Alert – Mileage & Subsistence **25% reduction from 5 March 2009**

As part of the government's expenditure saving drive, the Department of Finance and Revenue have reduced the Civil Service mileage and subsistence rates that employers can use to reimburse expenses tax free by **25%** from 5 March 2009. The new rates are detailed below:

Rates per kilometre:-

Official Motor Travel in a calendar year	Engine Capacity: Up to 1,200 cc	Engine Capacity: 1,201 cc to 1,500 cc	Engine Capacity: 1,501 cc and over
Up to 6,437km	39.12 cent	46.25 cent	59.07 cent
6,438km and over	21.22 cent	23.62 cent	28.46 cent

Domestic Subsistence Overnight Rates:-

Class of Allowances	Normal Rate	Reduced Rate	Detention Rate
A Class	€108.99	€100.48	€54.48
B Class	€107.69	€92.11	€53.87

Domestic Subsistence Day Rates:-

Class of Allowance	10 hours or more	5 hours but less than 10 hours
Class A	€33.61	€13.71
Class B	€33.61	€13.71

Class A: Salaries of €67,960 and above

Class B: Salaries below €67,960

Employers should take note of the changes as they will be accountable for PAYE/PRSI in respect of any amount paid in excess of the above rates.

For more information, please phone a member of our tax team on **059 9137040** or email tax@laloroshea.ie.