

The mileage allowance limits is a table issued each year by the French tax administration.

It sets the maximum reimbursement to avoid taxation for the payment of mileage allowances to employees, depending on the car horsepower and on the mileage driven on professional grounds. The employer can choose to reimburse a smaller amount than the amount resulting from this schedule.

Mileage reimbursement for car for the year 2009 (*)(**) in Euros			
Horsepower	Annual mileage driven on professional grounds		
	<= 5 000 km	5 001 à 20 000 kilometers	> 20 000 km
<= 3 HP	$d \times 0,387$	$(d \times 0,232) + 778$	$d \times 0,271$
4 HP	$d \times 0,466$	$(d \times 0,262) + 1020$	$d \times 0,313$
5 HP	$d \times 0,512$	$(d \times 0,287) + 1\ 123$	$d \times 0,343$
6 HP	$d \times 0,536$	$(d \times 0,301) + 1\ 178$	$d \times 0,360$
7 HP	$d \times 0,561$	$(d \times 0,318) + 1\ 218$	$d \times 0,379$
8 HP	$d \times 0,592$	$(d \times 0,337) + 1\ 278$	$d \times 0,401$
9 HP	$d \times 0,607$	$(d \times 0,352) + 1\ 278$	$d \times 0,416$
10 HP	$d \times 0,639$	$(d \times 0,374) + 1\ 323$	$d \times 0,440$
11 HP	$d \times 0,651$	$(d \times 0,392) + 1\ 298$	$d \times 0,457$
12 HP	$d \times 0,685$	$(d \times 0,408) + 1\ 383$	$d \times 0,477$
13 HP and more	$d \times 0,697$	$(d \times 0,424) + 1\ 363$	$d \times 0,492$

HP : car horsepower

d : mileage for the year (in kilometers)

*: regarding the year 2010, the information will be available in Spring 2011

** : maximum reimbursement for mileage in order to avoid social contributions



What should cover the mileage allowances

The mileage allowance is supposed to include the following expenses: amortization of the vehicle, maintenance and repair, tyres, petrol, insurance, helmet and accessories.

Therefore, if a non taxable mileage allowance is paid to the employee, these expenses (petrol, etc.) should not be reimbursed in addition on expense reports.

If the employee doesn't own the car, he cannot be entitled with non taxable mileage allowance

Mileage schedules are required

Moreover the French tax administration considers that, if they are not justified by mileage schedules, all car-related reimbursements made by the company to employees are to be taxed as a fringe benefit.

If mileage schedules are provided, then the amount of fringe benefits is calculated by comparing for a given calendar year :

- the payments to employees related to the use of their own cars (e.g. : car allowance at the bottom of the payslip, reimbursement of fuel expenses...) (except for tolls and parking tickets)
- and the amount which is tax exempted according to the French administration table.

Only the excess payment is considered as fringe benefit.

If the payments to employees related to the use of their own cars consist only of the reimbursement of accurate mileage schedules based on the tax administration table, then there should be no fringe benefit.

The mileage schedules have to indicate, for each trip, the date, the name of the customer visited, the town visited, the mileage driven.

If all these details are not provided, the French administration may challenge the accuracy of the schedules.

Every year, employees should provide their employer with :

- a copy of their car registration cards
- mileage schedules for the whole calendar year

That information may be asked by the French tax administration in case of a tax / social audit.

For more information on this issue, please consult our memorandum on fringe benefits and employees' expenses.

Mileage allowance paid in addition to the benefit of a company car

If the car driven by the employee belongs to the company and if a "mileage allowance" or "car allowance" is paid in addition to the employee, then this allowance is considered as a kind of bonus and taxed with social contributions.



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