

HMRC treatment of travel and subsistence expenses for medical consultants

In a review of travel and business expenses for medical consultants, HM Revenue & Customs (HMRC) is looking to apply certain principles when deciding what constitutes an acceptable business expense for tax purposes.

According to HMRC, travel expenses that medical consultants can or cannot deduct when calculating their taxable profit are as follows.

- Travel from home to a private or NHS clinic (and vice versa) is not allowable and is, in effect, viewed as home to work travel.
- Travel from an NHS appointment to a private clinic (or vice versa) is not allowable as the location of the NHS work is tantamount to home.
- Travel between two private practice locations is allowable.
- Travel to training appointments is normally allowable if it is to a separate location and not one that is normally attended.
- Emergency journeys are normally allowable regardless of where the consultant happens to be at the time.

In HMRC's view, a consultant's base is likely to be the hospital or another facility where consultations, examinations and operations take place. It is unlikely to be his or her home, even if significant work is carried out there, such as report writing and record-keeping. However, a person's home may be accepted as his or her base for work purposes if he or she is an itinerant worker. This is not expected to apply to consultants with a regular pattern of attending different hospitals or clinics, but where they genuinely have an irregular pattern of work and do not know where they will be working from one day to the next.

Daniel Martine, a partner in the Healthcare team at Kingston Smith LLP, said: "HMRC is placing emphasis on travel with a dual purpose. So where a journey has both business and non-business purposes, they are saying it should be disallowed with no possibility of partial relief.

"This view seems one sided and is not necessarily a correct reflection of the law. Depending on the particular facts and circumstances, it may still be contested but, in the meantime, medical consultants should keep records of the reasons for any travel or mileage in case their claims are disputed by HMRC at a later date."

HMRC's principles have been set out specifically in relation to medical consultants but are equally applicable to other professions.

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