

G20 SOUTH AFRICA 2025

Travel Allowance

Your Tax matters, so does your time.

Travelling Allowance

A travel allowance is an amount that is paid or given to an employee in advance for travelling for business purposes.

A travel allowance or advance is granted when the employee uses their vehicle to perform the employer's duties.

The taxpayer can claim back the business portion as a deduction on assessment. The portion that is spent for private travel will be included in the employee's taxable income.

Re-imbursive Travel

Types of re-imbursive Travel Allowance:

- 1. Taxable re-imbursive allowance
- A reimbursement amount paid above the prescribed rate per kilometre will be taxable.
- 2. Non-taxable re-imbursive travel allowance
- ✓ A reimbursement amount paid within the prescribed rate per kilometre will be non-taxable.
- 3. Exceeds the prescribed rate per kilometre
- ✓ The full amount above the prescribed rate per kilometre is subject to employees' tax

Two methods of claiming travel allowance:

1.The fixed cost method; and

2.Actual cost.

Taxpayers are obligated to keep a valid logbook. It must contain the following information:

- Opening kilometres;
- Closing kilometres;
- Total kilometres travelled;
- Date of travel;
- Reason for travel; and
- Nature of business.

Example of a logbook

Date	Opening kms	Closing kms	Total kms	Private kms	Business kms	Business Travel Details (where, reason for visit)	Actual Fuel & Oil Costs (R)	Actual Repairs & Maintenance Costs (R)
01-03	10283	10411	128	77	51	Randburg, meeting with client		
	10411	10570	159	122	37	Pretoria, research		
TOTAL			287	199	88			

Actual Costs

- Petrol and oil;
- Maintenance/repairs;
- Wear and tear and finance charges;
- Lease premiums; and
- Insurance and licensing.
- Copy of instalment sale or lease agreement to be provided.

Source codes for travelling allowance reflect as follows on an IRP5:

Source Code	Description
3701	Travelling allowance
3702	Re-imbursive travel allowance(taxable)
3703	Re-imbursive travel allowance(non-taxable)
3722	Re-imbursive travel allowance above prescribed rate

Example of ITR12 (travel container)

Used more than one vehicle in a tax year? Capture the number of vehicles used when you customise your return through the wizard and additional travel containers will open.



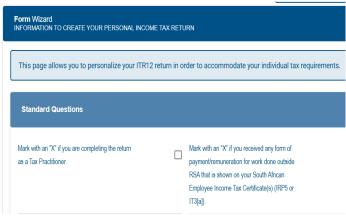


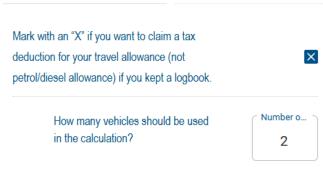




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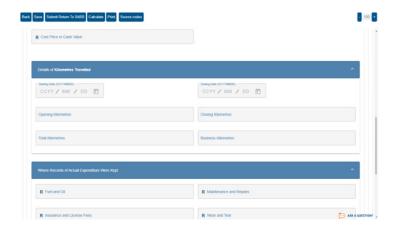
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Proof of expenses and a logbook must be kept for verification purposes. A travelling claim will be disallowed or limited if the documents listed above are not available upon request by SARS.





The following information must be available to SARS upon request:

Leased Vehicle

- Copy of lease agreement; and
- Claim lease premiums.

Hire Purchase

- Copy of the purchase agreement (cost of vehicle);
- Claim wear and tear (not monthly repayments);
- Wear and tear calculated over a period of seven years; and
- Finance charges can be claimed annually.

Top Tips: Travel Expenses

- Travelling from home to the office and back is deemed to be private;
- Travelling claim will be limited to the travel allowance received;
- A logbook must be kept, verifying business kilometres travelled; and
- Accurate documentation must be provided to substantiate the claim.

For more information about the contents of this publication:

Visit the SARS website at www.sars.gov.za; or

If calling from within South Africa, contact the SARS Contact Centre on 0800 00 SARS (7277).



