

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-imbursing Travel

Types of re-imbursing Travel Allowance:

1. Taxable re-imbursing allowance
 - ✓ A reimbursement amount paid above the prescribed rate per kilometre will be **taxable**.
2. Non-taxable re-imbursing 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-imbursing travel allowance(taxable)
3703	Re-imbursing travel allowance(non-taxable)
3722	Re-imbursing 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.

MAKE TAX MATTERS YOUR PRIORITY #1

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Form Wizard
INFORMATION TO CREATE YOUR PERSONAL INCOME TAX RETURN

This page allows you to personalize your ITR12 return in order to accommodate your individual tax requirements.

Standard Questions

Mark with an "X" if you are completing the return as a Tax Practitioner. ☐ Mark with an "X" if you received any form of payment/remuneration for work done outside RSA that is shown on your South African Employee Income Tax Certificate(s) (IRP5 or IT3(a)).

Mark with an "X" if you want to claim a tax deduction for your travel allowance (not petrol/diesel allowance) if you kept a logbook. ☒

How many vehicles should be used in the calculation?

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.

Travel Claim Against Allowance
Rands only, no cents

1. Travel Claim

Did you use a logbook to determine your business km travelled? ☒ Y ☐ N

Vehicle Registration No *
Vehicle Registration No is a mandatory field.

Car Model *
Car Model is a mandatory field.

R Cost Price or Cash Value *
Cost Price or Cash Value is a mandatory field.

Indicate whether the vehicle was acquired by way of *
Indicate whether the vehicle was acquired by way of is a mandatory field.

Car Make *
Car Make is a mandatory field.

Date of Purchase
Date of Purchase is a mandatory field.

Details of Kilometres Travelled

Being (see CC1144620) Being (see CC1144620)

Opening Kilometres Closing Kilometres

Total Kilometres Business Kilometres

Where Records of Actual Expenditure Were Kept

R Fuel and Oil R Maintenance and Repairs

R Insurance and License Fees R Wear and Tear

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).