

# Tax relief on partners' personal expenses

## What can you claim?

### Introduction

If you are a partner in an LLP or partnership and incur expenses personally you may be able to deduct these from your taxable income and reduce your tax bill.

Here is a list of the main areas which we come across but if you buy anything for work and your firm does not reimburse you then let us know as you may be able to make a claim.

### Motor running costs

If you have a car or motorbike which you use for work you can claim the business proportion of the running costs. This covers costs such as servicing, repairs, fuel, road fund licence, MOT, interest on finance leases and insurance.

Here's an example for the tax year ending 5 April 2025:

*A partner buys a car in the year, registered in 2024 worth £40,000 with CO2 emissions over 50g/km and incurs running costs for the year of £3,500. They use the car for business 40% of the time.*

*This partner can claim:*

- *For the cost of the car: £2,400 (6%\* of £40,000) x 40% (business use) = £960*
- *For the running costs: £3,500 x 40% = £1,400*

*\*This is a percentage based on emissions*

*A total claim of £2,360, saving tax of £1,062 if the partner pays tax at the additional rate (earning profits in excess of £125,140).*

### Working from home

If you work from home you can claim for the business use of your home telephone and broadband. You can also make a claim for other expenses for example electricity, gas, water, mortgage interest. This is called a 'use of home as office' claim and we can help you calculate this.

### Funding of capital

If you borrowed money to put capital into the LLP or partnership you can claim for the interest paid.

### Other expenses

If you have paid for any of the items below personally which you use for work you can claim tax relief on the cost:

- Home computer
- Bike
- Professional books and journals
- Subscriptions
- Stationery
- Pilot cases, bags
- Training courses



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