POA2026/10178

HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ

Dr Victoria Armstrong
Chief Executive
Community Transport Association

3 July 2026

Dear Dr Armstrong,

Thank you and your cosignatories for your letter of 22 May, to the Chancellor of the Exchequer, about Approved Mileage Allowance Payment (AMAPs) rates for volunteers. I am replying as Minister responsible for the UK tax system.

In recognition of the pressures facing drivers, the Government announced in May, the first uprating of these rates in 15 years, backdated to April 2026. For 2026/27, mileage rates for cars and vans will increase from 45p to 55p per mile for the first 10,000 miles annually, followed by 25p per mile thereafter, with effect from 6 April 2026. This represents the largest ever increase to these mileage rates.

The 25p per mile rate for mileage above 10,000 miles remains unchanged, reflecting that the average motorist drives fewer than 10,000 miles for work and the need to balance targeted support with overall fiscal responsibility. Employees can also claim an additional 5p per mile for each passenger transported. Mileage rates for other vehicles, including motorcycles, remain unchanged. Looking ahead and beyond 2026/27, the Government has already committed to a review of these rates and will set this out at the Budget.

The AMAP rate is advisory, so employers can choose to pay more or less than the advisory rate. It is therefore ultimately up to employers, including public sector organisations such as local Government and the NHS, to determine the rate at which they reimburse their employees. Employees who receive less than the AMAP rate can claim tax relief on the difference. Employees who receive more will potentially be taxed on the difference, depending on their personal circumstances.

In your letter, you ask about the rates given to voluntary workers. Voluntary organisations reimbursing volunteers can either use the AMAP rates, or they can reimburse the actual cost incurred where the volunteer drivers can evidence such costs, without a tax liability arising. Any reimbursement above the AMAP rates would be subject to Income Tax unless the driver can show evidence of the expenditure. It is ultimately up to the voluntary organisation to determine the amount they reimburse to volunteers.

I hope this response is helpful. Thank you again for taking the time to make me aware of your concerns.

Yours sincerely,

DANIEL TOMLINSON MP
EXCHEQUER SECRETARY TO THE TREASURY