

Email subject: Claiming Business Expenses with Personal Use – What You Need to Know

Dear Customer,

We're getting in touch to help you check your Self-Assessment tax return is completed correctly.

When you work out your taxable profits, you can only deduct expenses that are wholly and exclusively for business purposes. Sole traders often have assets and expenses for both work and personal use. Such as:

- Vehicles, phones and premises
- Things you pay for, like petrol and electricity.

If you have assets or expenses like these, you may need to make **a personal use adjustment**. This will make sure you only claim business expenses – not personal ones.

For example, if 60% of your car's mileage is for business, then 60% of the car's running costs, such as fuel, insurance and servicing, is an allowable expense.

You can find more information about [personal use adjustments and allowable expenses](#) on GOV.UK

Simplified expenses

Some sole traders use 'simplified expenses' to calculate business expenses. This allows you to claim a flat rate for certain business costs. If you've used simplified expenses, you don't need to make a separate personal use adjustment for those expenses.

You can find more information about [simplified expenses](#) on GOV.UK.

What you need to do

1. Please check if any of your business expenses for the 2024 to 2025 tax year include personal use. If they do, and they are not simplified expenses, you'll need to adjust the figures to reflect the personal use on your tax return before you submit it, by 31 January 2026 (online return) or 31st October 2025 (paper return).
2. If you've already submitted your return and didn't adjust for personal use when you should have, you'll need to amend it. You can do this up to 12 months after the Self-Assessment filing deadline. So you can amend your return for the 2023 to 2024 tax year until 31 January 2026.

You can find more information about [amending a return](#) on GOV.UK

3. If you think you have incorrectly claimed expenses on earlier tax returns, you may still be able to make an unprompted disclosure. You can find more information about [making a voluntary disclosure](#) on GOV.UK

Before making a disclosure, you may want to seek independent advice. For example, from TaxAid, a charity that offers free, confidential help to people on low incomes.

If you don't adjust your expenses for personal use

You may be claiming more than you should. If that happens, we may open a compliance check and charge you penalties.

If you have an accountant or tax adviser, you should discuss this email with them. If you don't currently have an adviser, you may want to seek professional advice.

Yours faithfully,

HM Revenue and Customs