

# Quartix

Business vs. private mileage:  
How vehicle tracking helps with  
tax compliance



For most companies with vehicle tracking installed in their fleet, all miles recorded are business miles. However, there are many companies whose vehicles are driven for both business and personal use, and it becomes necessary to clearly define which miles fall into each category.

As an employer offering the use of vehicles to employees, a very important step to ensuring HMRC compliance involves something called 'benefit-in-kind' tax.

## What is a 'benefit-in-kind'?

Private use of a company vehicle is a benefit-in-kind. For example, when an employee drives a company car for private use. Here, mileage capture is vital, as is being able to validate locations travelled to as either personal or business trips.

Benefit-in-kind means two things for employers:

- **Commuting to your permanent place of work is classed as private use if you drive a company vehicle.** Employees must pay income tax on the value of this benefit, including instances when the vehicle was used outside of company hours for personal reasons.
- **Fuel is a taxable benefit.** When fuel is free to the employee or subsidised by the company, it must be recorded for HMRC. Any fuel that is used for business mileage, versus private mileage, must be recorded clearly in company records.

## What happens if you fail to record this?

HMRC regularly penalises companies that fail to pay the proper tax revenue, meaning it's imperative to precisely declare any benefits-in-kind. In fact, employers can be fined thousands of pounds per annum per employee for incorrect tax returns. Relying on manual records for HMRC audits can present huge risks.

## How can you ensure compliance?

One way to simplify this task is by employing vehicle tracking. You can ensure HMRC compliance by recording detailed information for your business automatically via a GPS tracking device that can mark trips as business or private. Vehicle tracking systems can easily provide:

- **Types of trip** (business or private) – This is crucial information in terms of tax compliance as it will determine if the miles are taxable or not.
- **Mileage information** – Quickly determines how much tax will be due.
- **Dates and locations** – The system will provide reliable, recorded evidence of the journeys.

## Configuring business/private miles with Quartix

The distinction between business or private miles can be set up via the Quartix website or on the Quartix mobile app. On the website, you can configure each of your vehicles, so that trips are recorded as private at certain times. For example, if you know that your drivers are using company vehicles on weekends for personal use, those miles must be recorded for the HMRC, but you may wish to set all weekend use to 'unmonitored'—the mileage will be recorded, but with no identifying information, for the sake of your drivers' privacy. [Read more about our privacy controls here.](#)

On the mobile app, you and your drivers can alter the settings of trips that have already been recorded. Access this feature through the "Trips" tab and each trip will have a tick box where you, or the driver themselves, can set the journey details to private, retrospectively. Since commuting counts as private use, drivers can identify the trips to and from the office or job site and mark those as private, while other trips taken on the same day can be classified as "business." [Find out more by downloading our mobile app guide.](#)

Vehicle privacy details for Quartix

Vehicle ID: 629157

Registration number: 12PB6

Monitoring mode:

- ☒ Standard - 24 hour monitoring
- ☐ Privacy - defined working hours only
- ☐ No monitoring - holidays etc.
- ☐ Can extend monitoring period
- ☐ Can shorten monitoring period

Monitoring data

Everyday

Start time	End time	Tracking time
hh:mm	hh:mm	

+ Add monitoring period

Total time: 00:00

Weekday

Weekend

QTX STM : Sean

18/10/2021

VEHICLES LIVE TRIPS STYLE

Depart	Arrive	Private
18/10/2021 15:50 Greville Rd, Warwick, Warwickshire, England	18/10/2021 16:01 Valley Road, Lillington, LEAMINGTON SPA, Warwickshire,	<input type="checkbox"/>
18/10/2021 16:32 Kempton Crescent, LEAMINGTON SPA, Warwickshire,	18/10/2021 16:43 Greville Rd, Warwick, Warwickshire, England	<input type="checkbox"/>
TOTALS:		All <input type="checkbox"/>
Time Travelled 00:21:40	Idle Time 00:00:00	
Distance Travelled 6.3 Miles	Average Speed 17.5 mph	

\*\* Statistics for individual trips can be seen by tapping the row





Home Bargains, one of the UK's biggest retail chains, has over a hundred company vehicles fitted with Quartix vehicle tracking. In order to keep track of business and private miles for accounting and tax purposes, they employ the Quartix system and mobile app.

*"Each of our drivers has access to the Quartix mobile app. They use the app to tell us which of their miles are private and which are business miles. It's easily done—because we've set up the system so that all miles logged are private, they just log on and select which journeys were for business. We receive a report with this information and then we can reimburse the drivers for the miles they drove for company business. It's an effective system and it's made our mileage reports easy to manage across our fleet."*

**Aaron Brooks**  
Home Bargains



Inspired Entertainment is a leading supplier of gaming systems in the UK, creating server-based gaming (SBG) systems and terminals that are used in casinos and other gaming venues. Its product portfolio includes fixed-odds games, table games, and sports-betting terminals. Inspired Entertainment also makes systems for the entertainment and leisure market, as well as bingo terminals and digital vending machines. In addition to gaming systems, the company provides maintenance, installation, and other allied services. Inspired Entertainment operates a fleet of 600 company cars and vans in the UK.

*"We made the business decision to allocate two Quartix Driver ID fobs to each driver--a green tag that is used for business journeys and a red tag for private journeys.*

*To help prompt our drivers to use the key fob on the reader, we installed the buzzer units which emit a loud, constant buzzing sound if no fob is attached after the vehicle ignition is turned on. If drivers mistakenly use the incorrect key fob, then they are still able to retrospectively amend the journey type for their vehicle, via the password-protected Quartix website or the mobile app. That will update the Quartix trip reporter, which allows us to see the final mileage summary breakdown for all our drivers on the website or through an email allowing us to make the necessary deductions for private journeys.*

*We have also utilised Quartix's API for business journey data only so live vehicle location and trip data is pulled into our back-office scheduling system, to help our team allocate resource more effectively. This also allows us to generate our own internal Engineer Shift reporting. Our approach ensures a fast, effective and robust way for us to distinguish between drivers' business and private journeys, whilst ensuring restricted access to drivers private mileage data. Only those departments that have a legitimate business interest in viewing the data will be able to see it."*

**Peter Kowalczyk**

Fleet Manager, Inspired Entertainment

Quartix goes one step further to helping you calculate and report your taxes. By working with third-party providers, we not only supply mileage data from our trackers, but can also integrate fuel card information, to split fuel costs across your fleet and better establish how much tax you owe for business miles.

Keeping your records up to date and accurate is the only way to ensure you are reporting and paying the correct amount to the HMRC. Quartix vehicle tracking does the hard work for you, meaning you can submit your figures to HMRC with confidence.

For more information you can read about employee car ownership and benefits-in-kind on the [government website](#).

