

**December 2025**

## MEMORANDUM

**To:** Stipendiary Ministers & Church Related Community Workers driving church owned cars  
**Copy to:** PLATO and CYDOs  
**From:** Mary Steele, Payroll Manager  
**Subject:** Church owned cars

### CHURCH OWNED CARS

If you drive a church owned car for private travel you need to be aware of the following:

HM Revenue & Customs has issued revised **Advisory Fuel Rates** which are effective from **1 December 2025** and apply when you use a church owned car for private travel. If a minister/CRCW reimburses the local church at a rate below the advisory rate the excess is treated as taxable income and is liable to PAYE deductions.

The rates highlighted in yellow are the ones which have changed since the advisory fuel rates were issued in September 2025.

Petrol	Petrol	Petrol	Diesel	Diesel	Diesel	Electric*
1400cc or less	1401 to 2000cc	Over 2000cc	1600cc or less	1601 to 2000cc	Over 2000cc	All
12p	14p	22p	12p	13p	18p	7p/14p

*\*This rate applies only to fully electric cars, not hybrids. Hybrid cars are treated as either petrol or diesel for this purpose.*

### Note on electric cars

From 1 December 2025 the advisory electric rates for fully electric cars will be:

- 7p per mile for home charging
- 14p per mile for public charging

For journeys where a company car is charged at both public and residential locations, you can apportion the mileage based on how much charging happens at each place. The apportionment calculation should be fair and reasonable.