

## HIGHER ALLOWANCE APPLIES EVEN IF EMPLOYEES DRIVEN TO WORK FREE OF CHARGE

This is to let you know of a taxpayer-friendly tax ruling by Director of Katowice Tax Chamber dated 20 December 2016 (ref. 2461-IBPB-2-2.4511.860.2016.1.IN). The authority ruled that the higher income tax allowance (PLN 139.06 monthly) is available even if the employee concerned is provided with charge-free transportation to work.

According to PIT Act, the higher tax allowance (deductible from income) is available for an employee who:

- permanently resides away from his place of work,
- is not in receipt of any family separation benefit, and
- declares his place of residence to his employer.

In the case at hand, the tax authority ruled that the above test is sufficient to determine whether or not an employee is entitled to the higher tax allowance for personal income tax purposes, even if the employee does not actually pay for transportation between his place of residence and place of work because this is provided free of charge by his employer, on condition the two places are away from each other (different cities/towns).

If this issue pertains to your business and you are interested in our assistance, please contact your WTS&SAJA consultant or our office.

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