

**THE FIXED PLN 250/400 INCOME IMPUTED TO EMPLOYEES USING COMPANY CARS
FOR PRIVATE PURPOSES DOES NOT INCLUDE FUEL**

We wish to draw your attention to a private tax ruling issued by Director of Katowice Tax Chamber on 20 April 2015 (ref. IBPBII/1/4511-51/15/AŻ) in relation to the personal income tax treatment of a case whereby the employer pays operating expenses on a company car used by an employee for private purposes.

This is the first private tax ruling on this matter published after the change in law that became effective on 1 January 2015.

The case involved a company wishing to allow its employees to use their company cars for private purposes for no charge. In addition, the company (employer) would pay the expenses associated with such use of the cars, including fuel expenses.

The tax authority disagreed with the company about how to calculate income which such use of the cars represented for the employees concerned. The tax authority held that:

- the fixed income imputed to such employees under the PIT Act (PLN 250 or 400) only represents the mere use of company cars for their private purposes and does not include any related operating expenses, such as fuel, parking, toll;
- where the fuel used by the employee for his private purposes is paid for by the employer, the amount will represent an additional income of employment for the employee (on top of the fixed income of PLN 250 or 400) and as such will be subject to personal income tax.

We will keep you up-to-date with changes in case law and tax authority rulings on this matter.

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

Doradztwo Podatkowe WTS&SAJA Sp. z o.o.

Delta Building, 4th floor
ul. Towarowa 35
61-896 Poznań
tel. (+48) 61 643 45 50
fax. (+48) 61 643 45 51

Warsaw Office

CENTRAL Tower, 22nd floor
Al. Jerozolimskie 81
02-001 Warszawa

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