

BREAKTHROUGH IN COMPANY CAR TREATMENT

We wish to alert you to a ground-breaking judgement of Wrocław Provincial Administrative Court dated 23 November 2015 (case no. I SA/Wr 1595/15) where the court addressed the PIT treatment of a situation whereby an employee uses a company car for his private purposes without a consideration. The PIT Act provides in such cases for a fixed deemed income of PLN 250 or 500.

The court held that the fixed statutory income of PLN 250 or 500 covers all expenses associated with private use of the vehicle and funded by the employer, including fuel.

This is the first taxpayer-friendly decision after a series of several dozen adverse tax rulings by the Finance Minister. The commented case offers PIT planning opportunities with respect to employees using company cars for private purposes and a chance to end disputes over the tax treatment of fuel costs in such cases.

The court's judgement is not definitive and no written statement of reasons has been published yet. We will keep you informed about further developments.

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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