

**CONSTITUTIONAL COURT'S JUDGEMENT ON FRINGE BENEFITS APPLIES
NOT ONLY TO EMPLOYEES**

This is to let you know of a private tax ruling issued by Director of Poznań Tax Chamber on 31 January 2017 (ref. 3063-ILPB1-1.4511.379.2016.1.APR), which says that the ratio of Constitutional Court's judgement of 8 July 2014 in case no. K 7/13 (on fringe benefits for employees) applies not only to employees.

The case ruled upon involves a company which engaged individuals under contracts for services (*umowy zlecenia*) and provided them with free accommodation for these purposes. The company argued that such free accommodation does not represent taxable income for the workers. The company referred to the above-cited Constitutional Court case in which it was held that a benefit is of relevance for tax purposes if it has been provided with the consent and in the interests of the recipient, is measurable and is attributable to an individual taxpayer.

The ruling of the Director of Poznań Tax Chamber was on its merits unfavourable for the company, but in conformity with the overall position in such cases in relation to employee benefits. According to the tax authority, accommodation is a personal benefit which represents income for the worker.

This ruling is extremely relevant because, according to the tax authority, the ratio of Constitutional Court's judgement on fringe benefits for employees is applicable also to people working under contracts for services.

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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