

Declaration and tax liability

DECLARATION OF FRINGE BENEFITS

Fringe benefits are declared on Annex 4 of tax declaration Form TSD by the tenth day of the following month. Enabling the use of the employer's car is declared in Annex 4 of the Form TSD under code 4040 "The enabling of a use of a vehicle of the employer for activities not related to employment or service duties or to the employer's business". The tax liability on fringe benefits is usually paid on the basis of Form TSD.

TAX LIABILITY ON FRINGE BENEFITS

The tax liability of the fringe benefit is calculated on the engine power of cars (1.96 euros per kW or, if the car is older than five years, 1.47 euros per kW).

Example 1

For a new 190 kW passenger car, the price of the fringe benefit is $1.96 \times 190 = 372.40$ euros, and taxes are calculated on it as follows:

income tax $372.40 \times 22/78 = 105.04$ euros

social tax $(372.40 + 105.04) \times 33\% = 157.56$ euros

total tax liability is $105.04 + 157.56 = 262.60$ euros.

Example 2

For a new 90 kW passenger car, the price of the fringe benefit is $1.96 \times 90 = 176.40$ euros, and taxes are calculated on it as follows:

income tax $176.40 \times 22/78 = 49.75$ euros

social tax $(176.40 + 49.75) \times 33\% = 74.63$ euros

total tax liability is $49.75 + 74.63 = 124.38$ euros.

Last updated on 08.01.2025