

Conditions for payment of daily allowance

If an employee must go to another business trip abroad on the day of their arrival from a business trip, they can be paid tax-exempt daily allowance in the amount of a single rate. Pursuant to subsection 4 of § 4 of the Business Trip Regulation, this kind of a situation is not possible where an employee receives tax-exempt daily allowance at a double rate when coming from one business trip and going to another business trip on the same day.

For the time spent on travelling and at the place of the business trip, the employee is paid the daily allowance for a business trip abroad, if the business trip location is in a foreign country and at least 50 kilometres from the border of the settlement where the place of work is located (subsection 1 of § 4 of the Business Trip Regulation).

According to the Employment Contracts Act, it is assumed that the place of work is agreed upon with the precision of a local government unit. The minimum distance of the destination of a business trip from the border of the settlement where the place of work is located, provided for in the Business Trip Regulation, has been established primarily for the purpose of defining a certain minimum distance between the workplace and the destination of the business trip, for which the employee has the right to receive a daily allowance from the employer. Otherwise, for example, travelling to another country even a few kilometres away from a workplace near the border would give the right to apply for daily allowance.

The distance between the border of the settlement where the workplace is located, and the destination of a business trip can theoretically be determined in three ways:

- a) aerial distance
- b) distance actually travelled by the selected route
- (c) distance by the usual and reasonable and most commonly used route.

Due to the purpose of the said provision, the Tax and Customs Board will proceed in its implementation from a distance by the usual and reasonable and most commonly used route.

The daily allowance for a business trip abroad is paid in accordance with subsection 2 of § 4 of the Business Trip Regulation:

- ✓ for the day of departure for a business trip abroad, if the vehicle bound for a foreign country leaves no later than 21:00
- ✓ for the day of arrival from a foreign country, if the vehicle arrives after 3:00.

Example 1

The business trip starts on 20 January, and the vehicle bound for a foreign country leaves at 20:50. Daily allowance is paid for the day of departure. Had the vehicle left at 21:20, daily allowance could not be paid tax-exempt.

Example 2

The business trip ends on 23 January and the vehicle arrives from abroad on 24 January at 03:08 in the night. Daily allowance is paid for the days of the business trip abroad on 23 and 24 January. Had the vehicle arrived from a foreign country on the night of 24 January at 02:45, daily allowance could be paid tax-exempt only for the day of the business trip on 23 January.

In the Business Trip Regulation, the payment of daily allowance is made dependent on the time of departure or arrival of the vehicle. Therefore, the **actual** departure or arrival time of the vehicle must be taken into account.

If you go to the business trip by public transport, the time of arrival or departure of the public transport generally coincides with what is indicated on the ticket (which can be treated as one possible proof). If the time of departure or arrival indicated on the ticket differs from the actual time of departure or arrival, the actual time must be taken into account. However, the taxpayer must take into account that the actual time of arrival or departure must also be proved to the Tax and Customs Board, if necessary, e.g., with a confirmation letter from the company that sold the ticket for its vehicle or other proof.

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