

Transport of employees employed under employment contracts

There are additional tax incentives for the transport of employees working based on employment contracts.

The tax incentive extends only to employers engaged in business, non-profit associations, foundations, and legal persons in public law. The tax incentive does not extend to the public sector.

An employer has the option to choose whether:

1. a bus or a vehicle with at least eight seats is used for transportation between the employees' residence and workplace. The distance of the employees' place of residence from the workplace is not decisive (i.e., employees can be transported by bus, for example, even within one settlement)
2. a car in the ownership or possession of the employer is used (the employee's place of residence is at least 50 kilometres from the workplace)
3. transport costs are reimbursed based on a cost document, regardless of the type of transport (the employee's place of residence is at least 50 kilometres from the workplace)
4. the employee uses a personal car (the employee's place of residence is at least 50 kilometres from the workplace)

If the employer and the employee agree that the employee will use a personal car, the employer has a choice whether:

- ✓ rides between work and home are reimbursed based on the regulation on compensation for the use of a personal car (based on driving records, up to 550 euros per month) or
- ✓ based on expense documents (fuel checks)

The above also extends to the situation when an employee with an employment contract travels to work, for example, from Kyiv and from Tallinn back to his place of residence in Kyiv.

Last updated on 08.01.2025