

Declaration and payment

DECLARATION

The compensation paid for the use of a personal car above the limit is declared in annex 4 of the tax declaration form TSD which is submitted by the 10th of the following month. The tax liability on fringe benefits is usually paid based on form TSD.

In declaration INF 14, the employer must indicate the amounts of benefits actually paid (including those declared as a fringe benefit) for the use of a personal car to a natural person during the calendar year when keeping records. The declaration is submitted by 1 February of the following year.

TAX LIABILITY

Tax liability arises when an employee is paid a (business-related) compensation, exceeding the limit, for rides to work and home when using a personal car.

Example

The employee submitted her driving records to the accountant, according to which the employee has used her personal car for work (including business-related rides between work and home) and travelled 1500 km ($1500 \times 0.50 = 750$) in one month. The amount of $750 - 550 = 200$ euros exceeding the tax-exempt threshold must be declared as a fringe benefit granted to the person, on which both income and social tax must be paid.

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