Transporting employees to work and home

TRANSPORT OF EMPLOYEES TO WORK AND HOME PURSUANT TO SUBSECTION 5[1] OF § 48 OF THE INCOME TAX ACT

An employee is:

- a person employed under an employment contract
- an official (**subsection 1 of § 13 of the Income Tax Act**)
- a member of a management or controlling body (**§ 9 of the Income Tax Act**)
- a natural person who sells goods to an employer during a period longer than six months
- a natural person who works or provides services based on a contract for services, authorisation agreement or any other contract under the law of obligations

Expenses for employee transportation to and from work are not considered a fringe benefit if:

1. it is impossible to make the journey using public transport with a reasonable expenditure of time and money
2. disabled employees are unable to use public transport or if use of public transport causes a material decrease in the persons' ability to move or work
3. the employer arranges transportation of an **employee employed under an employment contract** using a vehicle with at least eight seats or with a bus for the purposes of the Traffic Act
4. the place of residence of the **employee employed under an employment contract** is located at a distance of at least 50 kilometres from the place of work

Since the tax incentive does not automatically extend to all expenses incurred by the employer for arranging transportation between the employees' home and workplace, it is necessary to define the compliance of the incurred expenses with the principles set forth in **subsection 5[1] of § 48 of the Income Tax Act**.

Beginning from 1 January 2020, the cost of public transport tickets used for transportation between employees' home and workplace are not taxed as fringe benefit.

The tax incentive is extended to all employees (an employee working on the basis of an employment contract, an official, a person who works or provides services on the basis of a contract under the law of obligations, a member of a management or controlling body and a natural person who sells goods to the employer during a period longer than six months).

When reimbursing the cost public transport tickets:

1. the distance between the place of residence and the place of work is irrelevant
2. costs can be reimbursed only based on cost documents

Last updated on 08.01.2025