

Calculation of an Automobile Benefit

You can use this form to determine the value of the taxable benefit related to an automobile made available to an employee. You can also use it (with the necessary modifications) to determine the value of a taxable benefit related to an automobile made available to a shareholder, a partner or a person related to an employee, a partner or a shareholder.

For more information about the taxable benefit related to an automobile, refer to document IN-253-V, *Taxable Benefits*.

Source deductions and employer contributions

If the automobile is made available to an employee, the value of the benefit is subject to source deductions and employer contributions, with the exception of Quebec parental insurance plan (QPIP) premiums. This means

that during the year, you must calculate the value of the benefit using estimates. To obtain the amount you must add to the employee's salary for a given pay period, you must divide the value of the benefit you have estimated by the number of pay periods in the year.

For more information about source deductions and employer contributions, refer to the *Guide for Employers* (form TP-1015.G-V).

Logbook

If you make an automobile available to your employee, the employee must keep a logbook of the trips made with the automobile and give you a copy.

RL-1 slip

At the end of the year, you must calculate the value of the taxable benefit related to an automobile using the actual number of kilometres travelled during the year and enter that value on the employee's RL-1 slip.

Taxation year

Information about the employee

Last name

First name

STEP 1 Standby-charge benefit

You must calculate the standby-charge benefit if your employee uses an automobile you provide for personal purposes.

Do the simplified calculation in step 1.1 if **all** the following conditions are met:

- You own the automobile provided to the employee.
- The employee uses the same automobile throughout the year.
- The employee's duties do not consist primarily in selling or leasing automobiles.
- The employee is not entitled to a reduction of the value of the standby charge (see the conditions for the reduction on page 2).

If one or more of the above conditions is not met, do the detailed calculation in step 1.2.

1.1 Simplified calculation

Cost of the automobile you provide to the employee (including taxes) × **24%**
Standby-charge benefit =

Go to step 2.

1.2 Detailed calculation

If you own the automobile, enter the cost of the automobile (including taxes).
If the employee sells or leases vehicles, you can elect to calculate the value of the standby charge at a rate of 1.5%. In this case, complete line 4.

× 2% ▶

If you lease the automobile, enter the monthly cost of the lease (including taxes but not insurance costs).

× 2/3 ▶

If you own the automobile, the employee sells or leases vehicles, and you elect to calculate the value of the standby charge at a rate of 1.5% instead of 2%, enter the **higher** of the following amounts:

- the average cost (including taxes) of all **new automobiles** you acquired during the year for sale or lease; or
- the average cost (including taxes) of all **new and used automobiles** you acquired during the year for sale or lease.

× 1.5% ▶

1.2 Detailed calculation (continued)

Amount from line 2, 3 or 4, as applicable		5	
Number of days the automobile is made available to the employee in the year.			
Divide the number by 30. If the result is not a whole number and is more than 1, round if off to the nearest whole number. If it is less than 1, do not round it off.	<input type="text"/>	÷ 30 ▶	×
Multiply line 5 by the number of periods on line 6.		=	7
Reduction of the value of the standby charge. Complete the work chart below.		×	8
Multiply line 7 by the rate on line 8.		=	9
Standby-charge benefit			

Work chart – Reduction of the value of the standby charge

Complete this work chart to calculate the reduction of the value of the standby charge the employee is entitled to if **all** the following conditions are met:

- You require the employee to use the automobile in the performance of his or her duties.
- The employee uses the automobile primarily (more than 50%) in the performance of his or her duties.
- The number of kilometres travelled for personal purposes **does not exceed** 1,667 kilometres per 30-day period or 20,004 kilometres in the year.

Number of kilometres travelled for personal purposes		10	
Number of 30-day periods entered on line 6	<input type="text"/>	×	1,667 ▶
Divide line 10 by line 11. Carry the result to line 8.		÷	11
Reduction of the value of the standby charge			=
			12

STEP 2 Operating-costs benefit

If you pay operating costs for the personal use of an automobile made available to an employee, you must calculate the benefit related to the costs **unless** the employee reimburses you for **all** operating costs related to the personal use of the automobile (including taxes) no later than 45 days after the end of the year.

Do the simplified calculation in step 2.1 if **both** the following conditions are met:

- The employee uses the automobile primarily (more than 50%) in the performance of his or her duties.
- The employee informed you in writing, before the end of the year, of his or her intention to use the simplified method.

If one or more of the above conditions is not met, do the basic calculation in step 2.2.

2.1 Simplified calculation

Amount from line 1 or 9, as applicable		13	
			×
			50%
Multiply line 13 by 50%. Proceed to step 3.		=	14
Operating-costs benefit			

2.2 Basic calculation

Total number of kilometres travelled for personal purposes		15	
Enter:			
• \$ _____ if the employee does not sell or lease automobiles; or			
• \$ _____ if the employee's duties consist primarily in selling or leasing automobiles.			
Multiply line 15 by the rate on line 16.		×	16
Operating-costs benefit			=
			17

STEP 3 Taxable automobile benefit

Amount from line 1 or 9, as applicable		18	
Amount reimbursed by the employee for the standby charge		-	19
Subtract line 19 from line 18.			
If the result is negative, enter 0.			
Taxable standby-charge benefit			=
			20
Amount from line 14 or 17, as applicable	<input type="text"/>	21	
Amount of the operating costs the employee reimbursed no later than 45 days after the end of the year	<input type="text"/>	-	22
Subtract line 22 from line 21.			
If the result is negative, enter 0.			
Taxable operating-costs benefit			=
			23
Add lines 20 and 23.			
Taxable automobile benefit			=
			24

Keep this form for your records.