

Worksheet – Calculating Automobile Benefits

CALCULATING AUTOMOBILE BENEFITS FOR 2003 AND LATER TAXATION YEARS

Last name	First name	Social insurance number
Address		

Complete Step 1, "Standby charge," only if you provide your employees an automobile for their personal use. Otherwise, go to Step 2, "Operating cost benefit."

Step 1 – Standby charge

Simplified calculation

Use this calculation if the following conditions apply:

- the automobile you provide your employee is owned by you;
- the employee used the same automobile throughout the year;
- the employee's principal source of employment is not selling or leasing automobiles; and
- the employee is not eligible for the reduced standby charge rate as he or she does not meet the conditions set out in d) below.

Cost of automobile you provided *

(including GST and PST or HST) \$ _____ x 24% = \$ _____

* For the meaning of cost of automobile, see the definitions at the beginning of this chapter.

Minus: Employee reimbursements attributable to standby charge \$ _____

Standby charge benefit (if negative, enter "0") \$ _____ **(A)**

Detailed calculation

Before calculating 1, 2, or 3 below, please read the following instructions **carefully**:

- a) For the meaning of **cost of automobile**, see the definitions at the beginning of this chapter.
- b) The highest average cost of automobiles is one of the following amounts, whichever is more:
 - the average cost of all automobiles you acquired to sell or lease in the year; or
 - the average cost of all **new** automobiles you acquired to sell or lease in the year.
- c) You must determine the number of days the automobile was available to the employee for the entire calendar year (including weekends and holidays).
- d) Calculate the standby charge at a reduced rate if the following conditions apply:
 - you require employees to use the automobile to perform their duties;
 - the employee uses the automobile more than 50% of the time for business purposes; and
 - the kilometres for personal use do not exceed 1,667 per 30-day period for a total of 20,004 kilometres a year.
- e) * When you divide the total days available by 30, round off the result to the nearest whole number if it is more than one.

Examples: Available 20 days ÷ 30 = 0.67 (do not round off)
 Available 130 days ÷ 30 = 4.33 (round to 4)
 Available 135 days ÷ 30 = 4.50 (round to 4)
 Available 140 days ÷ 30 = 4.67 (round to 5)

Choose 1, 2, or 3

1. Employer-owned automobile: Cost of automobile (including GST and PST or HST) \$ _____ x 2% = \$ _____ 1
2. Employer-leased automobile (lessee): Monthly leasing cost (including GST and PST or HST, excluding insurance) \$ _____ x 2/3 = \$ _____ 2
3. Employee sells or leases automobiles: Highest average cost of automobiles, (including GST and PST or HST) (see b) above) . . . \$ _____ x 1.5% = \$ _____ 3

		Reducing the standby charge (see d) above			
Amount from 1, 2, or 3 above	Number of days auto available to employee	Personal kilometres	Number of days auto available to employee		
\$ _____	x $\left(\frac{\quad}{30 \text{ *}}\right)$	x _____	+ $\left(\left(\frac{\quad}{30 \text{ *}}\right) \times 1,667\right)$	= _____	\$ _____ 4
Minus: Employee reimbursements attributable to standby charge					\$ _____ 5
Standby charge benefit (if negative, enter "0")					\$ _____ (B)

(see reverse)

Worksheet – Calculating Automobile Benefits – cont.

Step 2 – Operating cost benefit

You do not have to calculate an operating cost benefit when the employee reimburses you for all operating expenses attributable to personal use no later than 45 days after the end of the year.

Basic calculation for 2003 and later taxation years

Complete this calculation if both of the following conditions apply:

- the employee does not reimburse or only partially reimburses you for operating expenses attributable to personal use no later than 45 days after the end of the year; and
- the employee did not elect to use the optional calculation, and:
 - the employee's principal source of employment is selling or leasing automobiles

Personal kilometres driven x 14¢ = \$ 6

or

- the employee occupies any other employment

Personal kilometres driven x 17¢ = \$ 7

OR

Optional calculation (This calculation may not be beneficial in all cases.)

You can use this calculation if the employees meet both of the following conditions:

- they use the automobile more than 50% in the course of their office or employment; and
- they request (in writing before the end of the year) that you use this method.

Standby charge amount (A) or (B) Employee reimbursements attributable to standby charge
 (\$ + \$) x 50% = \$ 8

Amount 6, 7, or 8 above \$

Minus: Employee reimbursements for the operating cost benefit made no later than 45 days after the end of the year \$

Operating cost benefit (if negative, enter "0") \$ (C)

Total of amounts (A) or (B) and (C) (employee taxable benefit you report in box 14 and under code 34 of the T4 or, if applicable, in box 28 of the T4A) \$