

AUTOMOBILE TAXABLE BENEFITS AND LIMITS 2006 - 2011

as prescribed by the Canada Revenue Agency

Maximum amount allowed to be added to capital cost allowance pool for purchased automobiles

2006 to 2011 \$ 30,000

Limit on deductible monthly lease payment, - based on entering into a lease in the year:

2006 to 2011 \$ 800

Maximum allowable interest deduction for automobile loans

- based on purchase in the year:

2006 to 2011 \$ 300

Maximum tax-exempt automobile allowance able to be paid by employers to employees for use of employee's vehicle

	first 5,000 kilometres	additional kilometres
2006 & 2007 \$	0.50	\$ 0.44
2008 to 2011 \$	0.52	\$ 0.46

Note: allowance may be greater if "reasonable" and still be tax-exempt to the employee, however the amounts above are the maximum that may be deducted by the employer

Taxable benefit relating to the personal portion of automobile operating expenses paid by employers for use of employers' vehicle

	General benefit	Automobile dealer employees
2006 & 2007 \$	0.22 per km	\$ 0.19 per km
2008 to 2011 \$	0.24 per km	\$ 0.21 per km

Standby charge benefit - applicable if the employee has the ability to use the employers' automobile

Employer owned vehicle

2006 to 2011 - 2% per month of the original cost

Employer leased vehicle

2006 to 2011 - two-thirds of the monthly lease cost

Note: Standby charge can be reduced if the business use of the vehicle is at least 50%, AND personal use does not exceed 1,667 kilometres per month

“Automobile” defined:

Any motor vehicle with a seating capacity for the driver and up to 8 passengers, other than a taxi, bus used for transporting passengers, or a hearse

Vans, pickups, or similar are *excluded* from the definition of automobile if they are designed to carry not more than the driver and two passengers, and are used primarily for transportation of goods or equipment in the course of gaining or producing income (in the year of acquisition).

Also excluded from the definition of automobile are vehicles such as vans or pickups, regardless of seating capacity, if it is used more than 90% of the time for the transport of goods, equipment or hauling passengers as part of a business.