



Automotive Tax Facts

(rates effective January 1, 2001 to December 31, 2011)

Canada Revenue Agency prescribed rates for tax-free mileage reimbursement (add 4 ¢ per km for residents of Yukon, Northwest Territories, and Nunavut)	52 ¢ for 1st 5,000 km in 2008 to 2011 50 ¢ for 1st 5,000 km in 2006 and 2007 45 ¢ for 1st 5,000 km in 2005 42 ¢ for 1st 5,000 km in 2003 and 2004 41 ¢ for 1st 5,000 km in 2001 and 2002 46 ¢ for above 5,000 km in 2008 to 2011 44 ¢ for above 5,000 km in 2006 and 2007 39 ¢ for above 5,000 km in 2005 36 ¢ for above 5,000 km in 2003 and 2004 35 ¢ for above 5,000 km in 2001 and 2002
Maximum depreciable value on passenger vehicle	\$30,000 (plus GST & PST) 2001 - 2011
Maximum eligible monthly lease cost on passenger vehicle	\$800 per month (plus GST & PST) for leases entered into after January 1, 2001
Operating cost benefit calculation for employment income inclusion	24 ¢ per km for 2008 to 2011 22 ¢ per km for 2006 and 2007 20 ¢ per km for 2005 17 ¢ per km for 2003 and 2004 16 ¢ per km for 2001 and 2002 per personal km (21 ¢ for 2008 and 2009, 19 ¢ for 2006 and 2007, 17 ¢ for 2005, 14 ¢ 2003 and 2004, 13 ¢ 2001 and 2002 if taxpayer employed principally in selling or leasing automobiles) If business use > 50% can elect operating benefit to be half of standby charge
Standby charge benefit calculation for employment income inclusion	Employer-owned auto = 2% x cost of auto x number of days auto available in year divided by 30 Employer leased auto = 2/3 x lease payment while auto is available to employee If > 50% (>90% for 2003 and prior) business use a reduced standby charge may apply
Maximum allowable interest deduction for amounts borrowed to purchase an automobile.	\$300 per month

Related Publications: December 2009 Government Announces 2011 Automobile Deduction Limits and Expense Benefit Rates for Business.

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