

New tax regulations for private usage of business cars

AS PER 1 JANUARY 2022



If an employee is allowed to use the business car for private purposes as well, the employee needs to be charged a private share of the incurred cost. This private share is considered taxable income and the employer must indicate that income on the yearly salary certificate (item 2.2 on the salary certificate).

As per 1 January 2022, this private share for business cars will be increased from 0.8% per month to **0.9% per month**. Base for this lump sum calculation is the total purchase price (without VAT).

As on further change compared to the current regulation, there will be no more requirement to have the drive to the workplace added as taxable income. As a consequence, the percentage of field work is not to be declared anymore.

Please check here if you potentially can benefit from this new regulation, or whether it potentially results in a higher tax charge:

>> For employees with a high percentage of field work:

The new regulations are likely to result in higher taxes payable. It may be advisable to track the effective private drives based on a logbook, which is accepted as an alternative calculation.

>> For employees with a low percentage of field work:

The new regulations are likely to result in lower taxes payable.

>> For employees with a short way to work:

The new regulations are likely to result in higher taxes payable.

>> For employees with a long way to work:

The new regulations are likely to result in lower taxes payable.

>> Important for employers and payroll responsible:

We advise that you inform the respective employees and that you update your travel expense guidelines. The new regulations have to be implemented in your payroll system for the first salary payments in January 2022.

Please contact us in case of any questions. We are happy to advise on possible specific cantonal requirements and individual calculations.

Kind Regards

The Expertinum AG Team
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