

2013 AUTOMOBILE DEDUCTION LIMITS AND TAXABLE BENEFIT RATE FOR PERSONAL USE OF EMPLOYER OWNED/LEASED AUTOMOBILES

Automobile deduction limits

- The ceiling on the capital cost of automobiles for capital cost allowance (CCA, or tax depreciation) purposes remains at \$30,000 (plus HST) for automobiles purchased in 2013.
- The limit on deductible leasing costs remains at \$800 per month (plus HST) for leases entered into in 2013. This is one of the two restrictions dealing with leased autos. The second restriction prorates deductible leasing costs where the value of the vehicle exceeds \$30,000.
- The maximum interest deduction for amounts borrowed to purchase an automobile remains at \$300 per month for loans related to vehicles acquired in 2013.
- The limit on the income tax deduction of tax-exempt allowances paid by employers to employees using their own vehicle for business purposes has increased to 54¢ per kilometre (up from 53¢) for the first 5,000 kilometres driven and 48¢ (up from 47¢) for each additional kilometre.

Taxable benefit rate for personal use portion of automobile operating expenses paid by employer

- To determine the taxable benefit of the personal portion of automobile *operating* expenses paid by employers the rate has increased to 27¢ per kilometre (up from 26¢). Where the employee's work involves selling or leasing automobiles the rate has increased to 24¢ per kilometre (up from 23¢).
- The above rates do not include the taxable benefit for having an employer owned/leased car available for personal use. This benefit, the *automobile standby charge*, is calculated separately and is also included in the employee's income. There are no changes in how this benefit is to be calculated.