Finances et Économie Québec

INFORMATION BULLETIN

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LIMITS GOVERNING THE DEDUCTIBILITY OF AUTOMOBILE EXPENSES AND RATES FOR BENEFITS RELATING TO THE USE OF AN AUTOMOBILE FOR 2014

On December 30, 2013, the Minister of Finance of Canada announced, in a news release,[1] that the limits governing the deductibility of automobile expenses as well as the rates used to calculate the value of the taxable benefits relating to the use of an automobile that apply for the year 2013 will apply for the year 2014.

In this regard, in keeping with the principle of substantial harmonization of tax legislation regarding automobiles, the various limits and rates governing the deductibility of automobile expenses and the calculation of the value of the taxable benefits relating to the use of an automobile contained in Québec's tax legislation and regulations will remain unchanged for 2014. These limits and rates are presented in the appendix.

For information concerning this information bulletin, contact the secteur du droit fiscal et des politiques locales et autochtones at 418 691-2236.

The French and English versions of this bulletin are available on the ministère des Finances et de l'Économie website at: www.mfeq.gouv.qc.ca.

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1 DEPARTMENT OF FINANCE CANADA, *News Release 2013-170: Government Announces 2014 Automobile Deduction Limits and Expense Benefit Rates for Business,* www.fin.gc.ca/n13/13-170-eng.asp.

Appendix

Limits governing the deductibility of automobile expenses and rates for benefits relating to the use of an automobile

Automobile expenses or value of certain taxable benefits	Limit or rate
Amount deductible from allowances paid by an employer to an employee according to distance travelled with his automobile:	
– first 5 000 kilometres	As of January 1, 2014, the limit will remain at \$0.54/km.[1]
– additional kilometres	As of January 1, 2014, the limit will remain at \$0.48/km.[1]
Value of the benefit relating to operating expenses of an automobile that an employee uses for personal purposes where the automobile is supplied by his employer:	
– if the job consists mainly in selling or renting automobiles during the taxation year	As of January 1, 2014, the rate will remain at \$0.24/km.
– in other cases	As of January 1, 2014, the rate will remain at \$0.27/km.
Maximum capital cost of passenger vehicles for the purposes of the deduction for depreciation	For vehicles acquired after 2013, the maximum capital cost will remain at \$30 000.[2]
Interest expenses eligible as a deduction	For vehicles acquired after 2013, the limit will remain at \$300/month.
Leasing charges eligible as a deduction	For leases concluded after 2013, the limit will remain at \$800/month.[2]

1 The limit will continue to be 4 cents higher per kilometre in Yukon, in the Northwest Territories and in Nunavut, to reflect the higher cost of maintaining and operating a vehicle in those territories. Accordingly, it will remain at \$0.58 for the first 5 000 kilometres and at \$0.52 for additional kilometres.

2 Before applicable sales taxes.