

# **Benefit-in-Kind - Private use of Employer-Provided Vehicles**

## **Part 05-04-02**

This document should be read in conjunction with sections 121 and 121A of the Taxes Consolidation Act (TCA) 1997

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## Introduction

This manual outlines the tax position where a company vehicle is made available to a director or employee for his or her private use.

‘Making a vehicle available to an employee’ means:

- the provision of the use of a vehicle, and
- covering any vehicle running costs (such as insurance and petrol) on behalf of the employee.

An employee may be obliged by the provider to cover the vehicle running costs personally. Where this occurs, any Benefit-in-Kind (BIK) arising from having the vehicle made available to him or her is reduced accordingly (see [Chapter 1.2](#) for further information on how to calculate the BIK).

## Meaning of ‘Company Vehicle’

For the purposes of this manual, a company vehicle refers to all cars or vans made available to employees by reason of their employment.

If an employee has a vehicle made available to him or her for private use, the treatment set out in this manual shall apply, regardless of whether the employee works for a company, a partnership or a sole trader.

Where an employer does not directly have ownership of the vehicle (such as where the employer has an operating lease on the vehicle) and makes it available for the private use of his or her employee, the provisions of this manual shall apply.

This manual is only applicable where a vehicle is provided to the employee and ownership of the vehicle does not transfer to the employee. Where a vehicle is:

- given to the employee by the employer, or
- sold by the employer at a discount to the employee

the guidance in this manual shall not apply and the rules set out on the [Revenue website](#) shall apply instead.

# 1 Company Vehicles

## 1.1 Charge to Benefit in Kind (BIK) on Company Vehicles

An employee is chargeable to tax on the benefit arising where, by reason of his or her employment, a vehicle is made available (without a transfer of ownership) to him or her and the vehicle is, in the tax year, available either for that individual's private use or to his or her family or household.

A vehicle made available to an employee by his or her employer (or a person connected with the employer) is regarded as being made available by reason of the employment.

A vehicle made available to an employee is deemed to be available for private use unless the terms on which it is made available prohibit private use, and no such use is made of the vehicle in the tax year. Travel to and from work is private use.

Once a vehicle is available to the employee for private use, it is irrelevant whether or not any private use is made of it.

The benefit-in-kind provisions apply both to directors and to other employees, irrespective of the level of emoluments from the office or employment.

### 1.1.1 'What is a car?'

A "car" is any mechanically propelled road vehicle designed, constructed or adapted for the carriage of the driver or the driver and one or more persons, other than -

- a motorcycle (i.e. a mechanically propelled vehicle with less than four wheels and the weight of which unladen does not exceed 410kgs),
- a van, or
- a vehicle not commonly used as a private vehicle and unsuitable to be so used (such as a lorry or a bus).

The definition of a car includes motorcycles over 410kgs. Where an employer provides an employee with use of a motorcycle that is less than 410kgs, the provisions of this manual do not apply. Section 119(4)(b) instead provides that the annual value of the use of the motorcycle is 5% of the market value of the motorcycle when it was first provided as a benefit by the employer to any employee.

Subsequent adaptation of a vehicle does not alter the fact that the vehicle was originally designed and constructed for the carriage of one or more persons. As such the vehicle would remain a car for tax purposes.

### 1.1.2 What is a 'van'?

A van is a mechanically propelled vehicle which –

- is designed or constructed solely or mainly for the carriage of goods or other burden,
- has a roofed area or areas to the rear of the driver's seat,
- has no side windows or seating fitted in that roofed area or areas, and
- has a gross vehicle weight not exceeding 3,500 kilograms.

If a van is adapted in such a way that it no longer meets the criteria (such as if rear seats are fitted), the vehicle no longer satisfies the criteria to be regarded as a van for benefit in kind purposes. Therefore, the vehicle should be treated as a car and the taxable benefit calculated accordingly.

Where a crew cab or other similar type of vehicle meets all of the above conditions it is regarded as a van rather than a car.

#### **Example 1**

Tom works for a marketing company. His employer provided him with a company car which he was required to use during his working day and was also entitled to use for private use.

Tom's employer decided to modify the car so that marketing materials could be transported more effectively. The employer removed the back seats from the car for storage. The employer also tinted the rear windows black for security purposes.

In this instance:

- as the vehicle was originally designed and constructed for the carriage of one or more persons,
- the definition of 'van' for tax purposes does not include cars which were adapted into vans (must be designed or constructed solely or mainly for the carriage of goods or other burden - see ['what is a van'](#)),

the vehicle will remain a 'car' for the purposes of benefit-in-kind. Thus, section 121 will continue to apply as the 'car' was made available for private use.

## 1.2 Calculation of Vehicle Benefit-in-Kind

Benefit-in-Kind on the use of a vehicle is equal to:

- the [cash equivalent](#) of the benefit of the vehicle less
- any amount(s) made good to the employer by the employee in respect of the costs of providing or running the vehicle

### 1.2.1 Cash Equivalent

The cash equivalent of the benefit of a car is equal to 30% of the original market value (OMV) of the car.

The cash equivalent of the benefit of a van is equal to 5% of the original market value (OMV) of the van.

Benefit-in-kind = (OMV x cash equivalent) less amounts made good by the employee

### 1.2.2 Original Market Value (OMV)

The original market value of a vehicle is the price which it might reasonably have been expected to fetch if sold in the State singly in a retail sale in the open market, immediately before the date of its first registration (in the State or elsewhere) i.e. the Irish open market price for a single retail sale immediately before the date on which the vehicle was first registered.

Original market value includes vehicle registration tax (VRT) and all other applicable Irish taxes and duties.

Where a van has been modified, for example, where a refrigeration unit has been installed, the OMV excluding such modifications should be used.

In practice, the original market value is generally considered by reference to its list price before any reliefs or grants are applied.

Note: A modified OMV applies in the case of electric vehicles see chapter [1.4 Electric Vehicles](#) for further information.

#### **Example 2**

The original market value of a car first registered in the UK on 1 July 2018 and imported into Ireland on 1 November 2019 (and registered in Ireland in November 2019) would be the **Irish** open market price for a single retail sale immediately before 1 July 2018.

### 1.2.2.1 Discounts

Where it is established that a discount was given, and such discount was normally obtainable in respect of a single retail sale in the open market, the list price (and in turn the OMV) may be reduced accordingly.

Generally, the bill of sale should indicate the actual price paid (which can easily be compared to the list price) thus indicating the amount of the discount.

In cases where

- an exceptionally large discount was obtained (e.g. a quantity or fleet discount)
- the discount cannot be determined (e.g. a vehicle has been traded in against a new vehicle)
- or
- the vehicle involved was purchased second-hand,

claims in respect of discounts must be limited to the discounts normally obtainable in respect of a single retail sale on the open market. Reductions for discounts do not usually exceed 10%.

Where the discount received was greater than 10%, employers are advised to obtain evidence from the vendor (the garage). This should be a written confirmation that the discount received was also obtained in single retail sales to other third parties. If this confirmation cannot be obtained the maximum discount that can be applied for the purposes of calculating the cash equivalent is 10%.

Claims for reductions must be considered on a case-by-case basis and an automatic reduction (of any percentage) cannot be applied. For example, a discount would not normally be obtainable where the model of vehicle is in scarce supply. The objective in each case is to determine the original market value.

### 1.2.3 Reduction for High Business Kilometres for Cars (Tapering Relief)

Where the business kilometres for a tax year exceed 24,000km, the cash equivalent of the benefit of a car is reduced by applying the scales shown at [Appendix A](#). This tapering relief is not applicable to vans.

#### **Example 3**

An employee has use of a company car during 2018. The original market value of the car was €28,000. The actual business kilometres in the year were 31,630 kilometres. The employee made good to the employer €1,000 in respect of the cost of providing/running the car.

As the employee drove 31,360 kilometres in the year, the cash equivalent is equal to the OMV x 24% (mileage between 24,000 and 32,000, see table in [Appendix A](#)).

The benefit-in-kind calculation is the cash equivalent of the benefit of the car less €1,000 (amount made good).

BIK Calculation:

Cash Equivalent (OMV x 24%)	€28,000 x 24% =	€6,720
Less amount made good		<u>(€1,000)</u>
Amount subject to Benefit-in-Kind		€5,720

#### 1.2.4 Records to be Kept

Employers must put in place some mechanism whereby business mileage covered by employees is recorded e.g. the employee could keep a log book showing business journeys.

Employees using an alternative basis for calculating benefit in kind on a company vehicle are required to keep a log book under existing arrangements. The log book must be certified by the employer, as being to the best of his/her knowledge and belief, true and accurate.

In the case of vans, Revenue will accept a Tachometer/Tripmeter reading taken each Friday evening and again on Monday morning to show that no private mileage was undertaken over the weekend.

In a case where a person:

- fails to give particulars of business kilometres or private kilometres for the year  
or
- where the particulars delivered are not satisfactory,

the business kilometres may, in the absence of sufficient evidence to the contrary, be determined by deducting 8,000kms from the total number of kilometres travelled in the year.

#### 1.2.5 Vehicle Available for Less than Full Year - Annualising Business Kilometres

Where a vehicle is made available for only part of the tax year, the cash equivalent for that year is reduced proportionately.

Cases where a vehicle is made available to the employee for the first time during the tax year (e.g. on taking up employment) or a vehicle is no longer available to the employee during the tax year (e.g. due to cessation of employment) are examples of when this apportionment can apply.

#### **Example 4 – Modified formula**

Where a car is available for only part of the tax year e.g. the car is made available to the employee on taking up of the employment during the tax year, the business kilometres may be “annualised” for the purpose of determining the percentage



charge to be applied in the calculation of the cash equivalent of the benefit of the car.

The following formula may be applied to determine the annualised business kilometres:

$$\frac{A \times B}{C}$$

Where:

**A** = Actual business kilometres

**B** = Full Year (in days)

**C** = Part of Year (in days) for which car is available

### Example 5

A company car was made available to an employee for private use on 1 August. The original market value of the car was €18,000. The actual business kilometres in the year were 12,000 kilometres. The employee made good to the employer €750 in respect of the cost of providing or running the car.

As the car was made available for only part of the year i.e. for 153 days (from 1 August to 31 December inclusive) the cash equivalent is proportionally reduced to 153 / 365.

The actual business kilometres of 12,000 is annualised to determine what cash equivalent would have applied if the employee had maintained that level of business mileage for the full year. This is calculated as follows:

$$12,000 \text{ kilometres} \times 365 / 153 = 28,627$$

As annualised mileage is 28,627, the cash equivalent is equal to the OMV x 24% (mileage between 24,000 and 32,000, see table in [Appendix A](#)).

- The benefit-in-kind is equal to the cash equivalent of the benefit of the car less €750 (i.e. amount made good).
- The cash equivalent of the benefit of the car is equal to the OMV of car (€18,000) x 24% x 153/365 (as the car was only in use for 5 months of the year)

BIK calculation

€18,000 x 24% x 153/365 =	€1,811
Less amount made good	(€750)
Amount subject to BIK	€1,061

## 1.3 Exemptions and Reductions in Amount Chargeable

### 1.3.1 Reduction of Cash Equivalent of a Car

If an employee does not qualify for tapering relief in respect of a car as outlined in [Chapter 1.2.3](#) and [Appendix A](#), the cash equivalent may be reduced by 20% if **all** the following conditions are met:

- The employee works an average of 20 hours per week;
- The employee travels at least 8,000 kilometres per annum on employer's business; and
- The employee spends at least 70% of his or her working time away from employer's premises

The employee must retain a log book detailing the business kilometres travelled, business transacted, business time travelled and date of journey. This log should then be certified by the employer as being correct.

Although this relief may be claimed instead of tapering relief, it would not be more beneficial where the cash equivalent is less than OMV x 24% under tapering relief, as the 20% discount can only reduce the cash equivalent to OMV x 24%.

#### Example 6

A company car was made available to an employee on 1 January. The original market value of the car was €18,000. All running costs were met by the employer. The employee worked full-time for the firm and travelled 9,000 kilometres on company business. The employee spent more than 70% of working time away from employer's premises.

BIK calculation

€18,000 x 30%	€5,400
Less reduction of 20%	<u>(€1,080)</u>
Amount subject to BIK	€4,320

### 1.3.2 Limited Private Use of a Van

No taxable benefit will arise in respect of the private use of a van provided to an employee by his or her employer where **all** of the following conditions are met:

- the van is supplied by the employer to the employee for the purposes of the employee's work;
- the employee is required by the employer to bring the van home after work;
- apart from travel between the employee's home and his or her workplace, other private use of the van by the employee is forbidden by the employer and there is in fact no other private use; and
- in the course of his or her work, the employee spends at least 80% of his or her time away from the premises of the employer to which he or she is attached.

### 1.3.3 Overseas Duties and Benefit-in-Kind

A vehicle provided to a director or an employee will not be regarded as available for private use for that part of the year in which the director or employee is outside the State for the purpose of performing the duties of the office or employment provided the following conditions are met:

- the aggregate number of days spent outside the State for the purpose of performing the duties of the office or employment is at least 30 complete days in the tax year (any holiday period abroad is excluded). A day for this purpose must include an overnight stay,
- the director/employee travels abroad without the vehicle, and
- the vehicle is not available for use by the director or employee's family or household during the director or employee's period of absence outside the State.

### 1.3.4 Car or Van Pool Treatment

A vehicle which is included in a car or van pool for the use of employees of one or more employers is treated as not available for the private use of employees if, in the tax year, **all** of the following conditions are met:

- a) the vehicle is available to, and actually used by, more than one of the employees concerned,
- b) in the case of each employee, the vehicle is made available to him or her by reason of the employment,
- c) the vehicle is not ordinarily used by any one employee to the exclusion of the others,
- d) in the case of each of the employees concerned, any private use of the vehicle made by him or her is merely incidental to his or her business use, and
- e) the vehicle is not normally kept overnight at or in the vicinity of any of the employees' homes.

**Note:** Where:

- a) it is scheduled and verifiable that an officer of the State (including an officer of a statutory body) is obliged to be 'on call' outside of his/her normal working hours to respond to situations giving rise to possible contravention of law and, for this purpose the officer –
  - (i) is provided with a vehicle during scheduled and verifiable 'on call' periods outside of his or her normal working hours; and
  - (ii) keeps the vehicle overnight at, or in the vicinity of, his or her home; and

b) the vehicle would, but for the obligation in (a) above, be a pool vehicle,

then such vehicle may be deemed to be a vehicle in a vehicle pool for the purposes of the benefit-in-kind provisions.

Where it is proposed to treat a vehicle as being in a vehicle pool but there is a doubt about that treatment, the employer may agree the position with Revenue in advance.

### 1.3.5 Weight Exemption

No taxable benefit will arise in respect of the private use of a commercial vehicle with a gross vehicle weight (i.e., gross laden weight) in excess of 3,500kg.

## 1.4 Electric Vehicles

Finance Act 2017 introduced an exemption from benefit-in-kind provisions in relation to electric vehicles. An electric vehicle is one that derives its motive power exclusively from an electric motor, as such hybrid vehicles do not qualify for this treatment.

As Sustainable Energy Authority of Ireland (SEAI) grants are paid after the registration of the vehicle, the OMV is not reduced by the value of the SEAI grant.

### 1.4.1 Original Exemption (2018 Only)

The original exemption fully exempted any electric vehicle made available for an employee's private use for the period 1 January 2018 to 31 December 2018.

This exemption originally applied for the period 1 January 2018 to 31 December 2018 and applied to both new and used company vehicles.

### 1.4.2 2019 to 2021 Extension

Section 9 of Finance Act 2018 extended the exemption for electric vehicles for the years of assessment 2019 to 2021. However, full exemption is only available in certain circumstances, but where full exemption does not apply partial relief from BIK may apply. A summary table of the applicable tax treatment is set out below, see [Summary Schedule - Tax Treatment of Electric Vehicles](#).

Electric vehicle **first** provided to an employee during the period 10 October 2017 to 9 October 2018:

- Where an electric vehicle was first provided to an employee during the period 10 October 2017 to 9 October 2018, the employee's private use of that vehicle will continue to be fully exempt from tax for the period 1 January

2019 to 31 December 2020 (irrespective of the original market value of the vehicle).

- Where an electric vehicle was first provided to an employee during the period 10 October 2017 to 9 October 2018, the employee's private use of that vehicle for the period 1 January 2021 to 31 December 2021 will -
  - be fully exempt from BIK where the original market value of the vehicle does not exceed €50,000,
  - where the [original market value](#) of the electric vehicle exceeds €50,000, a partial exemption is available, granted by reducing the OMV by €50,000 when calculating the [cash equivalent](#) for the vehicle.

Electric vehicle **first** provided either prior to 10 October 2017 or on or after 10 October 2018:

- Where an electric vehicle is first provided outside the period 10 October 2017 to 9 October 2018 (i.e. provided either prior to 10 October 2017 or on or after 10 October 2018 or) the employee's private use of that vehicle will be fully exempt for the period 1 January 2019 to 31 December 2021 where the [original market value](#) of the vehicle is €50,000 or less.
- Where the [original market value](#) (OMV) of the electric vehicle exceeds €50,000, a partial exemption is available for the tax years 2019 to 2021, granted by reducing the OMV by €50,000 when calculating the [cash equivalent](#) for the vehicle.

### Example 7

E Tops Limited has a team of salespersons across Ireland who travel to various client sites around the country. E Tops Limited provides all salespersons with a company car, which they can use for private use outside of working hours.

The company is concerned about their environmental footprint and in 2016 began providing certain sales and executive staff with electric cars on a trial basis, with a view to transferring all sales and executive staff to electric cars by 2020. The OMV of electric cars used by sales staff is €40,000 and the OMV of electric cars used by executives is €80,000.

Following the announcement of the benefit-in-kind exemption for electric vehicles in Finance Act 2017, the company decided to replace all non-electric vehicles, with the result that all sales staff were using electric cars by June 2018. Electric cars for sales staff continue to have an OMV of €40,000. Executives in the company were also provided with use of electric cars for attendance at key meetings as well as private use. Electric cars for executives continue to have an OMV of €80,000.

In 2019, E Tops Limited decided to continue to provide all new sales and executive staff with use of an electric cars. The OMV of electric cars used by sales staff remained at €40,000 and the executives remained at €80,000. All executive staff incur business mileage of between 24,000 and 32,000 kilometres per annum.

The taxable benefits arising in respect of electric cars for the two staff categories in 2019 are as follows:

### **Category 1 – Salespersons**

#### **A: Pilot Project**

Salespersons who were part of the pilot project and received use of their electric car prior to 10 October 2017 will be exempt from the charge to BIK in 2019 as the OMV of the electric vehicle they received did not exceed €50,000.

#### **B: Purchase Following Finance Act 2017 Announcement**

Salespersons who first received use of their electric car following the Finance Act 2017 announcement (i.e. during the period 10 October 2017 to 9 October 2018) will also be exempt from the charge to BIK in 2019. (Note - In this scenario the OMV is below €50,000 but if the OMV was instead €60,000, full exemption would still apply for 2019 and 2020, on the basis that the car was first provided to the employee during the period 10 October 2017 to 9 October 2018).

#### **C: Cars Made Available in 2019 (or after 10 October 2018)**

Salespersons who received use of their electric vehicle after 10 October 2018 will be exempt from the charge to BIK in 2019, as the OMV of the electric vehicle they received did not exceed €50,000.

### **Category 2 – Executives**

#### **A: Pilot Project**

Executives who were part of the pilot project and received use of their electric car prior to 10 October 2017, don't qualify for full exemption but pay a reduced BIK, as the OMV of the electric vehicle they received exceeds €50,000.

In 2019, the cash equivalent formula for executive staff who were originally in the pilot project will be modified as outlined in the below calculation.

#### **BIK Calculation:**

Modified OMV => €80,000 reduced by €50,000 = €30,000

Cash equivalent => €30,000 x 24% = €7,200

Therefore, the amount subject to BIK for 2019 is €7,200.

#### **B: Purchase Following Finance Act 2017 Announcement**

Executives who first received use of their electric vehicle during the period 10 October 2017 to 9 October 2018, will be fully exempt from the charge to tax because of the period in which they first received use of the electric car.

**C: Cars Made Available in 2019 (or after 10 October 2018)**

Executives who received use of their electric car after 10 October 2018, don't qualify for full exemption but pay a reduced BIK for 2019 (as the OMV of the electric vehicle they received exceeds €50,000).

**BIK Calculation:**

Modified OMV => €80,000 reduced by €50,000 = €30,000

Cash equivalent => €30,000 x 24% = €7,200

Therefore, the amount subject to BIK for 2019 is €7,200.

**1.4.3 Summary Schedule - Tax Treatment of Electric Vehicles**

<b>OMV of electric vehicle is €50,000 or less</b>		
	<b>Electric vehicle first made available to the employee during the period 10 October 2017 to 9 October 2018</b>	<b>Electric vehicle first made available to the employee either prior to 10 October 2017 or on or after 10 October 2018</b>
Tax treatment for 2018	Full BIK exemption	Full BIK exemption
Tax treatment for 2019	Full BIK exemption	Full BIK exemption
Tax treatment for 2020	Full BIK exemption	Full BIK exemption
Tax treatment for 2021	Full BIK exemption	Full BIK exemption
<b>OMV of electric vehicle exceeds €50,000</b>		
Tax treatment for 2018	Full BIK exemption	Full BIK exemption
Tax treatment for 2019	Full BIK exemption	Partial relief – In calculating the BIK the OMV is reduced by €50,000
Tax treatment for 2020	Full BIK exemption	Partial relief – In calculating the BIK the OMV is reduced by €50,000
Tax treatment for 2021	Partial relief – In calculating the BIK the OMV is reduced by €50,000	Partial relief – In calculating the BIK the OMV is reduced by €50,000

## 1.5 Chauffeur Driven Cars

In the case of chauffeur driven cars two separate charges arise:

1. a benefit-in-kind charge in respect of the provision of the car, and
2. a benefit-in-kind charge in respect of the expenses incurred by the employer in the provision of the chauffeur.

The total expense incurred by the employer in the provision of the chauffeur (e.g. chauffeur's salary) is chargeable less any amount made good by the employee.

## 1.6 Employees in the Motor Industry

Employees in the motor industry generally have the use of several different vehicles, both new and old, during the course of a tax year. In the case of such employees, an alternative arrangement has been put in place to deal with the issue of frequent changes of company vehicles.

In such cases, the calculation of the benefit in kind is calculated using agreed average Original Market Values (OMV) of the vehicles used rather than actual OMV.

'Frequent changes' means changes at periods of less than 1 month.

### 1.6.1 Affected Employees and Employers

This arrangement applies to the following employees:

- employees in the retail motor trade,
- employees in the short-term car hire trade, or

other employees in the motor trade who are employed by one of the following categories of employer:

- motor retailers who are engaged in selling used cars only,
- franchised motor retailers who are engaged in selling both new and used cars,
- short-term car hire providers, or
- motor distributors and car leasing

The arrangement does not apply to employees who have exclusive use of specific vehicles for predictable periods in excess of one month. Where this occurs, the tax due by the employee should be calculated by reference to actual OMV.



### 1.6.2 Determination of Agreed Average OMV

The agreed average OMV value to be used when calculating the benefit-in-kind of the use of the company vehicle is determined by reference to:

- the highest value of the vehicles that the employee **normally** drives, and
- the section of the motor industry with whom the individual is employed.

There are 8 average OMV Bands which are listed in [Appendix B](#).

The occasional use of a vehicle in a higher or lower bracket will not affect the figure for average OMV.

### 1.6.3 Right to Apply Actual OMV

An employee may at any time exercise his or her statutory right to have the benefit-in-kind calculated on the basis of the actual OMV of the vehicles made available to him or her during the course of the year.

Where the employee exercises this right, the employer will have to carry out the necessary calculations and retain relevant evidence of the vehicles made available during the course of the year.

### 1.6.4 Records to be Kept

It is important that records are kept in respect of company vehicles used by the employee and that the correct OMV Band is used for each employee's benefit-in-kind calculation.

Employers are obliged to keep records in respect of:

- the company vehicles driven by all employee's including directors,
- the value of the vehicles driven and the OMV Band used in the BIK calculation, and
- the Benefit-in-Kind computation in respect of each employee.

### 1.6.5 Non-Application of Arrangement

If during the course of an audit, it comes to light that the employer has not complied with the statutory obligation to operate PAYE, PRSI and USC in respect of any benefit-in-kind arising to employees from the availability of the private use of company vehicles, then the arrangement outlined in [Chapter 1.5](#) will not be available.

## Appendix A: Business Mileage Tables

Applicable with effect from 1 January 2014

<b>Business mileage lower limit (1)</b>	<b>Business mileage upper limit (2)</b>	<b>Percentage of Original Market Value</b>
<b>Kilometres</b>	<b>Kilometres</b>	<b>Percent</b>
0	24,000	30
24,000	32,000	24
32,000	40,000	18
40,000	48,000	12
48,000 and over	-	6

Applicable up to and Including 2013

<b>Business mileage lower limit (1)</b>	<b>Business mileage upper limit (2)</b>	<b>Percentage of Original Market Value</b>
<b>Miles</b>	<b>Miles</b>	<b>Per cent</b>
0	15,000	30
15,000	20,000	24
20,000	25,000	18
25,000	30,000	12
30,000 and over	-	6

## Appendix B: Average OMV Bands for Employees in the Motor Industry

### Band 1: Average OMV Not Exceeding €30,000

Employees who normally have the use of vehicles with an original market value not exceeding €30,000

Section of Motor Industry	Average OMV
Motor Retailers engaged in selling used cars only and short-term car hire providers	€15,000
Franchised motor retailers who are engaged in selling new and used cars	€18,000
Motor distributors and leasing businesses	€22,000

### Band 2: Average OMV Greater than €30,000, but Not Exceeding €35,000

Employees who normally have the use of vehicles with an original market value which is greater than €30,000, but does not exceed €35,000

Section of Motor Industry	Average OMV
Motor Retailers engaged in selling used cars only and short-term car hire providers	€18,000
Franchised motor retailers who are engaged in selling new and used cars	€21,000
Motor distributors and leasing businesses	€25,000

### Band 3: Average OMV Greater than €35,000, but Not Exceeding €40,000

Employees who normally have the use of vehicles with an original market value which is greater than €35,000, but does not exceed €40,000

Section of Motor Industry	Average OMV
Motor Retailers engaged in selling used cars only and short-term car hire providers	€21,000
Franchised motor retailers who are engaged in selling new and used cars	€24,000
Motor distributors and leasing businesses	€30,000

**Band 4: Average OMV Greater than €40,000, but Not Exceeding €45,000**

Employees who normally have the use of vehicles with an original market value which is greater than €40,000, but does not exceed €45,000

Section of Motor Industry	Average OMV
Motor Retailers engaged in selling used cars only and short-term car hire providers	€24,000
Franchised motor retailers who are engaged in selling new and used cars	€27,000
Motor distributors and leasing businesses	€34,000

**Band 5: Average OMV Greater than €45,000, but Not Exceeding €50,000**

Employees who normally have the use of vehicles with an original market value which is greater than €45,000, but does not exceed €50,000

Section of Motor Industry	Average OMV
Motor Retailers engaged in selling used cars only and short-term car hire providers	€27,000
Franchised motor retailers who are engaged in selling new and used cars	€30,000
Motor distributors and leasing businesses	€38,000

**Band 6: Average OMV Greater than €50,000, but Not Exceeding €55,000**

Employees who normally have the use of vehicles with an original market value which is greater than €50,000, but does not exceed €55,000

Section of Motor Industry	Average OMV
Motor Retailers engaged in selling used cars only and short-term car hire providers	€30,000
Franchised motor retailers who are engaged in selling new and used cars	€33,000
Motor distributors and leasing businesses	€42,000

**Band 7: Average OMV Greater than €55,000, but Not Exceeding €60,000**

Employees who normally have the use of vehicles with an original market value which is greater than €55,000, but does not exceed €60,000

Section of Motor Industry	Average OMV
Motor Retailers engaged in selling used cars only and short-term car hire providers	€33,000
Franchised motor retailers who are engaged in selling new and used cars	€36,000
Motor distributors and leasing businesses	€44,000

**Band 8: Average OMV Exceeding €60,000**

Employees who normally have the use of vehicles with an original market value exceeding €60,000

Where the OMV of the vehicle(s) used by the employee normally **exceeds** €60,000, the figure to be taken should be:

- the appropriate figure in the Band 7 category,  
plus
- 75% of the difference between the OMV and €60,000.

For example, if an employee of a franchised garage normally uses a vehicle with an OMV of €80,000, the average OMV should be €51,000 i.e. €36,000 + (75% of €20,000).