

Car in business

Accounting and tax aspects

Poland

Slovakia

Czech Republic



Overview of the main tax and accounting rules applicable when purchasing and using a car for business purposes in Poland, Slovakia and Czech Republic



Deduction of input VAT by car purchase

50% - Passenger vehicles (vehicle mass less than 3,5 tons) used also for non-commercial purposes

100% - Passenger vehicles used exclusively for business purposes and other vehicles



Deduction of other taxes by import

Non-deductible



Deduction of insurance expenses

Insurance expenses covering the value of vehicle up to € 20 000 are deductible. Expenses for the part of insurance exceeding € 20 000 are non-deductible



Deduction of input VAT from fuel

100% for vehicles used exclusively for business



Deduction of input VAT from car services

50% - Passenger vehicles used also for non-commercial purposes

100% - Passenger vehicles exclusively for business purposes and other cars



Depreciation

Maximum depreciation base is € 20 000

1. Straight-line method - 20% of the initial value p.a.
2. Reducing-balance method for other than passenger vehicles - 40%
3. Accelerated method for vehicles being used in deteriorated conditions - 28%



Limitations for private use

Vehicles are considered to be used exclusively for business if their usage is confirmed by mileage records, precluding their use for private purposes

Slovakia



Deduction of input VAT by car purchase

100% for vehicles used exclusively for business



Deduction of other taxes by import

Non-deductible



Deduction of insurance expenses

No limits if the car is either used for business only or is subject to the employee income tax (as benefits in kind). Tax is in the amount up to 1% of the purchase price every month



Deduction of input VAT from fuel

In the amount corresponding to business usage. Proving fuel consumption in Slovakia based on:

1. GPS
2. Mileage book
3. Lump-sum up to 80% of the total sum



Deduction of input VAT from car services

In the amount corresponding to business usage



Depreciation

Depreciated during 4 years period using straight-line method only. Limited for cars acquired for more than € 48 000 - part of the depreciation can be tax non-deductible, if the CIT base is too low or if a tax loss is achieved



Limitations for private use

- If for both business & private purposes
1. VAT deduction in full amount with payments of output VAT for private usage
 2. VAT deduction in the amount corresponding to business usage

Czech Republic



Deduction of input VAT by car

VAT deduction depends on the extent to which the car is used for activities with entitlement to VAT deduction (character of business activity for which the car is used as well as potential private usage of the car should be considered). Should the conditions of the usage change within a 5-year period from purchase, the VAT deduction applied should be adjusted



Deduction of other taxes by import

Deductible with no limits



Deduction of insurance expenses

Non-deductible



Deduction of input VAT from fuel

In the amount corresponding to business usage



Deduction of input VAT from car services

In the amount corresponding to business usage



Depreciation

Depreciated during 5 years period using either straight-line or accelerated method



Limitations for private use

The ratio between private & business usage depends on documentation, primarily on the log book

About Accace

Accace Poland was established in Warsaw in 2009. The headcount of the office today is peaking up to 25 professionals. Covering full range accounting, payroll, tax and legal services under one roof and a strong customer base makes Accace the first-choice outsourcing and consultancy services provider to work with in Poland.

Accace Group - with more than 250 professionals and branches in 7 countries - counts as one of the leading outsourcing and consultancy services providers in Central and Eastern Europe.

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