



# Transport

Tax treatment of transport related allowances and expenses paid by the employer including reimbursements for parking, taxi fares and fixed monthly transport allowances.

## Tax Treatment of Various Transport Benefits (Summary Table)

Nature		Taxable/ Not taxable
1	Fixed monthly allowance	Taxable
2	Expenses for discharging official duties - Reimbursements made	Not taxable  See <a href="#">Transport Expenses for Discharging Official Duties</a> (below).
3	Mileage on private cars - Reimbursements made	Private mileage - Taxable  Mileage reimbursements on some trips are not taxable.  See <a href="#">Reimbursement of Mileage for Private Cars</a> (below).
4	Working overtime - Allowance paid or reimbursement made	Not taxable if conditions are met.  See <a href="#">Transport for Working Overtime</a> (below).
5	Shuttle bus service between convenient meeting points and the employment location	Not taxable  An administrative concession has been granted not to tax this benefit as it is difficult to assign a specific value of the benefit enjoyed by each employee.
6	Taxi trip between home and office	Not taxable if the employee is working overtime. All other cases are taxable.  For taxable cases, a value can be assigned to each employee since a taxi can only carry a maximum of four passengers. The employer can apply its own method to assign a value.
7	Travel between home and airport (where airport is not the workplace)	Reimbursements are not taxable.  Per-trip allowance for an actual trip made is not taxable.
8	Travel between home and business venue if the travel is for business purposes	Reimbursements are not taxable.  Per-trip allowance for an actual trip made is not taxable.

Nature		Taxable/ Not taxable
9	<p>Trips made by home-based employee between home and external business venues</p> <p>(The home-based employee works from home most of the time)</p>	<p>If the employer acknowledges an employee as working from home, the home can be considered as the office.</p> <p>Trips between home and external venues for business purposes are therefore considered as official trips. Reimbursements made for these trips are not taxable.</p>

## Transport Expenses for Discharging Official Duties

If transport expenses are incurred for discharging official duties, for example, travelling from office to meet a client, the reimbursements are not taxable.

Reimbursements made for travelling between home and external venues for business (e.g. external meeting place with clients, external venue for trainings, seminars, workshops, courses and retreats) are also not taxable.

Per-trip allowance for actual trip made is not taxable.

## Reimbursement on Mileage for Private Cars

Reimbursements on private mileage is taxable.

Reimbursements on mileage incurred on the following trips are not taxable:

1. Between office and external business meeting venues (e.g. client's office);
2. Between home and airport for the purpose of overseas business trips;
3. Between home and external business meeting venues; and
4. Between home and office when working overtime.

The rate of reimbursement for mileage depends on the company's policy. While there is no prescribed standard mileage rate, the reimbursements made by the company should be reasonable.

## Transport for Working Overtime

Overtime transport allowance and reimbursement paid to employees are **not taxable** provided that:


1. The allowance/ reimbursement is meant for working beyond official working hours (i.e. working before or after the official working hours on normal work days, or working on off days, weekends and public holidays) on an ad-hoc basis; and
2. The payment policy is generally available to all staff.

The payments are also not taxable if the policy applies only to staff at the lower level.

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