

**Tax Tip**  
**Week of July 20, 2009**

**Providing Taxis to Employees**

Last week we reviewed CRA's policy on social events that celebrate saying "thank you" to employees. Their current policy does require a taxable benefit if the cost is less than \$100 per person. The following is another example of how this policy needs revising. If the cost is less than \$100 for a social event, there is no benefit added to income. However, if the cost exceeds \$100, the entire amount is taxable.

Consider the following example:

- a social event is planned and the cost is \$90 per person so that no taxable benefit will be included in the employee's income
- since alcohol is provided, a last minute decision was made to provide taxi rides to all employees.
- the average cost of the taxi ride is \$25 per person

The decision to take corporate responsibility and provide taxis to employees pushed the cost over \$100 per employee and therefore the entire amount is taxable. If an employee declined the taxi and drove home while intoxicated, there should not be a taxable benefit included in the employee's income.

This is another example of CRA's policy on social events making little sense.