



Tax Alert, July 2019

Ruling of Ministry of finance – documenting reimbursement of commuting expenses

After Ministry of finance has issued ruling no. 011-00-12/2019-04 on February the 1st 2019 on the tax treatment of reimbursement of commuting expenses, American Chamber of Commerce in Serbia has sent a letter to the Ministry of finance in order to clarify certain part of issued ruling with respect to the determination of what should be considered as a credible accounting document for the purpose of proving commuting costs' reimbursement.

In that regard, Ministry of Finance has issued ruling no. 401-00-02148/2019-16 on June the 5th 2019, in which confirms that accounting documents listed in the letter of American Chamber of Commerce in Serbia should be considered as credible accounting documents, in line with the Law on accounting.

Accordingly, credible accounting documents which may be obtained by employer are the following:

- **In case of use of private vehicle** (company vouchers, coupons and cards for fuel purchase at the gas stations with which employer has signed a contract) - credible accounting document would be an invoice issued to the employer, specifying all individual amounts of fuel purchased by the employees in a month, accompanied with a list of employees who use private transport to commute;
- **In case of use of public transport** i.e. in case of purchase a monthly tickets for the public transport for employees by the employer - credible accounting document would be an invoice issued to the employer, specifying all individual monthly tickets purchased by the employer in a month, accompanied with a list of employees who use public transport to commute;
- **In case of use of taxi service** (vouchers or similar of the Taxi association with whom employer has signed a contract), - credible accounting document would be an invoice issued to the employer in which that specifies all individual amounts of taxi rides used by employees in a month, accompanied with a list of employees who use taxi transport to commute.

On the other side, employees may obtain the following documents:

- **In case of use of a private vehicle:** a fiscal invoice for purchased fuel would be considered as a credible accounting document. In addition to such invoice, statement of the employee specifying that invoice relates to employee's private commuting costs should be enclosed.
- **In case of use of public transport:** fiscal invoice for purchased monthly or daily ticket would be considered as a credible accounting document. In addition to such invoice, statement of the employee specifying that invoice relates to employee's private commuting costs should be enclosed.
- **In case of use of taxi service:** Receipt from the taxi would be considered as a credible accounting document. In addition to such receipt, statement of the employee specifying that such receipt relates to the employee's private commuting costs should be enclosed.

Finally, Ministry states that the method of documenting reimbursement of commuting costs should be defined by a **General act of the employer**.