

FAQ: Parking as a Taxable Benefit

What do you mean by taxable benefit?

The CRA decision states that any employee who has access to a parking space at less than fair market value must have the value of the parking assessed as a taxable benefit, which is included in your taxable income.

What is the amount of the taxable benefit?

The taxable benefit amount is the fair market value of the parking (including applicable taxes) as determined by CRA less the amount of any payment the employee makes to the employer. The CRA has now informed us of their determination regarding the value of this taxable benefit as follows:

2011 tax year: \$1,200

2012 tax year: \$1,266

2013 tax year onwards: to be determined

Will the taxable benefit be deducted as a payroll deduction?

The taxable benefit amount is added to your income as earnings, resulting in additional deductions for income tax and (possibly) CPP related to these earnings. On average, the amount of additional deductions will be about 40% of the taxable benefit depending on your individual tax situation.

If I can show that I only work two out of three terms is there a chance that my taxable benefits can be adjusted retroactively?

CRA took this into account when determining the taxable benefit amount, so no further adjustment is possible. However, if you disagree with this amount, you can file an *Objection – Income Tax Act* form, [available on the CRA website](#).

What if my work schedule is less than 35 hours a week?

The parking permit is available an average of 35 hours a week whether on a regular schedule or a modified schedule. The benefit is based on availability of the permit and not actual usage. As such, no further reduction will be contemplated by CRA for a modified work schedule.

What if parking is required for my employment?

Employees who are required to use their vehicle three or more days on a weekly basis for employment-related travel are not subject to a taxable benefit for parking. Verification of the exemption is subject to audit by CRA. Please note, CRA requires that the usage is supported by a mileage log.

Are there any exemptions?

Employees with a physical disability who hold a valid SPARC pass are exempt from the taxable benefit under CRA's guidelines. In order to receive that exemption, the SPARC pass must be registered annually with the Parking office of Safety and Security.

What happens if I'm part of the College Car Pool program?

If there is a group of two or more employees who travel to work together, the taxable benefit can be pro-rated for each member in the group. Please provide the names to parking@langara.ca.

If I decide later on that I don't need a parking pass can I return it?

Employees may opt out of parking at any time during the year. Please notify parking@langara.ca one month prior to the month you intend to return the pass so that the taxable benefit can be processed correctly. The pass needs to be returned to Facilities by the end of the following month. Please note that employees may then opt back in at only three times during the year: January 1, May 1, and September 1.

I am planning on appealing my reassessment. Can I wait to pay my reassessment until my appeal is heard?

No, you must pay as soon as possible to prevent interest charges from continuing to be levied. If your appeal is ultimately successful, you will be refunded the amount of overpaid tax based on the appeal plus applicable interest.

Why didn't the College deduct taxes from employees for parking in past years?

Previously, the CRA had informally determined that Langara offered "scramble" parking to its employees, so parking was not considered a taxable benefit. Since that time, our parking model has changed; with this in mind, the College sought expert advice from its auditors in January 2014 as to whether parking should be considered a taxable benefit. In advance of receiving any communication from them, the CRA launched its review and subsequently rendered its decision.

What about electric car users?

Every employee who holds a valid parking pass is subject to a taxable benefit, regardless of the type of car that they drive.

What happens if I have a pass, but can't find any parking on campus for a day?

This should not occur, as there is sufficient parking on campus at present. Since there is no charge for a parking pass, there is no possibility of a refund.

Still have questions? You can email us at hrpayroll@langara.ca.