**Minutes of Joint Meeting of Main TALC**

**and the TALC Direct and Capital Taxes Sub-Committee**

**22nd October 2024**

**Microsoft Teams conference call at 2:30pm**

The purpose of the meeting was to discuss the measures announced in Finance Bill 2024 (a*s initiated)* on which queries had been raised in advance of the meeting. It was noted that section 45 (transfer pricing), section 50 (participation exemption) and section 115 (Pillar Two) of the Bill had been discussed at the TALC BEPS Sub-Committee last week.

## Capital Taxes

### Capital Gains Tax – Part 1, Chapter 6

**Section 53 – Repeal of section 46 of Finance (No.2) Act 2023**
Section 53 repeals section 46 of Finance (No.2) Act 2023 and Revenue confirmed an Erratum Slip published on 16 October corrects an error in the text in Finance Bill 2024.

**Section 55 – Amendment of section 599 of Principal Act (disposals within family of business or farm)**
Section 55 amends section 599 of the TCA 1997. The purpose of the amendment to CGT Retirement Relief is to confirm that the CGT liability arising may be deferred by an individual aged 55 and over when transferring qualifying assets to a child, where the value of such assets exceeds the €10 million lifetime limit. Where the child to whom the qualifying assets are transferred disposes of the assets within 12 years of the transfer, the CGT liability deferred will crystalise. The liability will then be assessed and charged on the child. Where the child retains ownership of the qualifying assets for 12 years, the CGT liability deferred may be abated in full.

Practitioners noted the requirement to retain the assets for a 12-year period is extremely onerous and does not take account of the fact that businesses and the assets they hold will inevitably evolve over such an extended period. Revenue acknowledged the detailed notes received from practitioners in advance of the meeting and confirmed that the requirement to retain the assets for a 12-year period is a policy decision and that representations could be made to the Department of Finance regarding the length of the retention period.

*Separate claim required for abatement of deferred tax*

Practitioners queried the policy rationale for the requirement that the child file a separate claim for abatement of the deferred tax for the period in which the 12-year retention period expires. Revenue confirmed in order to claim the abatement of deferred tax, the child must make a claim in the 12th year and if not, the deferred tax becomes due and payable by the child. Revenue noted practitioners' concerns regarding the burdensome and onerous nature of this requirement and stated the policy rationale to make a claim for abatement is to allow for accurate costing of the tax expenditure in line with the Department of Finance's policy to accurately cost all tax expenditures. Revenue observed there is a distinction between the 6-year clawback under section 599 and this new 12-year deferral where a claim for abatement seeks to remove the CGT charge.

Where proceeds exceed €10 million, CGT will arise and the disponer can file a return to defer the CGT liability, however, Revenue clarified that this the deferral is not mandatory as the disponer may wish to use losses carried forward to offset the CGT liability etc. Where the CGT liability has been deferred, at the end of the 12-year period, the child is required to claim the abatement. Revenue noted this will help to accurately cost the expenditure (as the assets may have gone up or down in value in that period). Practitioners queried the relevance of the asset value in year 12 and Revenue confirmed this is to take into account situations where the child themselves may be able to claim Retirement Relief. Practitioners reiterated the unfairness of the provision and Revenue noted as this is a policy matter, practitioners can engage with the Department of Finance.

Practitioners raised concerns where the abatement of the deferred CGT is not claimed by the child that the liability for the deferred CGT could potentially fall on the disponer. In scenarios where the disponer died during the 12-year retention period, practitioners queried whether the deferred CGT could be viewed as a contingent liability of the estate. Practitioners expressed the view that a legislative amendment would be necessary to ensure that such a scenario could not arise. Revenue confirmed it would be clarified in guidance that it is the child who bears the tax and noted subsection (4A)(d) states where the assets are disposed of within the 12-year retention period, the deferred CGT will be assessed and charged on the child.

*Subsequent inter-generational transfers in retention period*

Practitioners queried whether it was intended that subsequent inter-generational transfers during the retention period would result in the amounts previously deferred becoming due and payable. Revenue confirmed this is the way in which the provision is intended to operate i.e., the deferred CGT liability will crystalise. Any change would be a policy matter. Revenue noted that a similar position exists in respect of inter-generational transfers during the 6-year clawback period. Practitioners highlighted that the restriction on inter-generational transfers was more concerning given the 12-year retention period.

*Clawback of deferred amounts*

In respect of the clawback of the deferred amount, practitioners noted that it would seem appropriate that the level of clawback should be tapered where the event occurs more than 6 years after the disposal giving rise to the relief. Revenue confirmed this would be a policy decision.

In a scenario where a clawback arises as the assets are disposed of within the 12-year retention period, practitioners queried whether the clawback is confined to the CGT arising on the value of the assets transferred which exceeded €10 million. Revenue confirmed the clawback would be in respect of the deferred CGT only, i.e., on the excess over the €10 million.

Practitioners queried how the section applies where the asset on which relief has been claimed are shares and those shares are subject to a reorganisation within the 12-year retention period. Practitioners noted that it would not make sense if a share reorganisation was not possible during the 12-year retention period.

*CAT/CGT offset*

Practitioners noted section 104 of the Capital Acquisitions Tax Consolidation Act 2003 (CATCA 2003) makes provision for the offset of CGT paid on a disposal against a CAT liability arising on the same event. Practitioners queried whether it is intended to amend CATCA 2003 to take account of the amendments to section 599 TCA 1997 and to ensure the fair operation of the CAT/CGT credit offset provisions in circumstances where there is a clawback of the deferred CGT outside the normal time limit for making tax refund claims. Revenue noted there was no intention to include a corresponding amendment to the CATCA 2003 in the Bill.

**Capital Acquisitions Tax – Part 5**

**Section 98 – Amendment of section 46 of Principal Act (delivery of returns)**
Section 98 amends section 46 of CATCA 2003 to update the reporting requirement for gifts in respect of certain interest-free loans contained in subsection (4A), which provides for the mandatory reporting in CAT returns of gifts in relation to interest-free loans received from close relatives, to include certain low-interest loans where the outstanding balance on all such loans exceeds €335,000 at any one time during the year.

Practitioners noted the CAT Group Thresholds have been updated (section 99 of the Bill as initiated) and queried whether it is intended to update section 46(4A) to refer to the new higher Group A threshold amount of €400,000.

Revenue noted the purpose of the amendment is to extend the CAT reporting requirement in respect of gifts of low-interest loans from relatives and is targeting loans where a nominal amount of interest is paid to avoid the reporting requirements. There is no plan to amend section 46(4A) to reflect the new Group A threshold, and Revenue confirmed that this is the policy intention.

Practitioners requested if Revenue could clarify the filing requirements for gifts deemed to be received under section 40 CATCA 2003 on or after 1 January 2025. Revenue confirmed the Finance Bill 2024 amendments to section 46(4A) CATCA 2003 apply to gifts deemed to be received from 1 January 2025 and do not affect last year's reporting requirements. Therefore, under the Finance Bill 2024 amendment to section 46(4A) CATCA 2003, a reporting obligation does not arise in respect of a low-interest loan for gifts deemed to be received on or prior to 31 December 2024.

**Section 100 – Further provisions relating to agricultural property**
Section 100 inserts a new section 89A into the CATCA 2003 to modify the agricultural relief provisions to provide that the donor will be required to meet the 6-year active farmer test in order for the beneficiary to benefit from the relief. The new provisions apply to gifts and inheritances taken on or after 1 January 2025.

Practitioners expressed concerns regarding the impact of the active farmer test prior to the disposition noting such a requirement will prevent a beneficiary that would otherwise qualify for agricultural relief from qualifying for the relief in circumstances where the disponer dies within 6 years of having acquired the property themselves. Revenue clarified where a disponer dies within 6 years of having acquired the property, the relief will not be available, and practitioners were invited to raise concerns with the Department of Finance.

Practitioners set out their understanding that the policy intent of the new provision is to restrict high wealth individuals, that are not active farmers, availing of this relief but questioned the effectiveness of the new provision in restricting these individuals where they purchase land and lease it to an active farmer for the 6 years, in which case they can continue to avail of the relief. Revenue noted this was a policy issue and questions regarding the design of the relief should be raised with the Department of Finance.

Revenue clarified the relief will not be precluded where a parcel of land is purchased within the 6-year period and it is disposed of as part of a larger holding of land. In those circumstances, the relief would apply to the portion of the agricultural land that has been held for the 6-year period.

Practitioners queried whether the provision creates unintended consequences, for example, where the farmland goes into a discretionary trust due to death. Revenue stated subsection (4) should address this as it deals with discretionary trusts. Revenue will clarify the position regarding discretionary trusts in guidance if needed.

Practitioners raised concerns with the date of application of the conditions to avail of the relief noting the disponer must be beneficially entitled in possession to the agricultural property concerned for a period of not less than 6 years ending immediately prior to the date of the gift or inheritance. Practitioners noted a difficultly arises because of the requirement for the disponer to qualify in this manner at the date of the inheritance and that it would be more appropriate for the condition relating to the inheritance to apply as at the date of death of the disponer, not the date of the inheritance. Practitioners outlined an example of where the farmland goes into a discretionary trust on the death of a parent due as the beneficiary children are minors. Revenue noted that subsection 4 should deal with such circumstances and that it was intended that the relief would be allowed in such a scenario. Revenue advised they would confirm this in guidance.

Practitioners outlined an example of a farmer who farms agricultural property his whole life and wishes to provide for his wife on his death, but she is not interested nor has the physical capacity to take on the farm herself. The farmer, earmarking the land for his child who is a farmer in their own right, provides for his wife to receive a life interest in the land and for the land to then pass to the child on the death of their mother. The child assists the mother in farming the land during her life tenancy. Revenue confirmed that in this case, the child would not qualify for agricultural property relief.

Finally, practitioners noted the legislation does not consider circumstances where a disponer becomes incapacitated, for example, the farmer has to go to a nursing home or otherwise loses capacity to farm the land. Revenue noted this is a policy issue and should be raised with the Department of Finance.

Revenue observed that the Tax Strategy Paper on Agri-Taxation Measures confirmed that the primary policy rationale for CAT agricultural relief is to promote the inter-generational transfer of family farms and ensure they continue to be actively farmed. Revenue stated that this policy intention is provided for in the Finance Bill and they noted that representations could be made to the Department of Finance should practitioners have concerns regarding the section.

**Direct Taxes**

**Income Tax – Part 1, Chapter 3**

**Section 8 – Amendment of section 112B of Principal Act (granting of vouchers)**
Section 8 provides increases to the annual limit for the Small Benefit Exemption from €1,000 to €1,500 and the number of non-cash benefits that an employer can give their employees from two to five benefits per year. The Bill also provides for a sunset clause such that the Small Benefit Exemption will cease for the 2030 tax year and subsequent years.

Practitioners welcomed the amendment to increase the number of benefits and the total value of the benefits but requested clarity regarding the policy rationale behind the insertion of a sunset clause into section 112B.

Revenue noted the provision of the sunset clause is a policy matter for the Department of Finance and advised the inclusion of the sunset clause has been inserted to allow for the overall scheme to be reviewed in five years in line with the Department of Finance's tax expenditure review guidelines.

**Section 9 – Amendment of section 118 of Principal Act (benefits in kind: general charging provision)**
Section 9 amends section 118 TCA 1997 to provide an employee with an exemption from Benefit-in-Kind (BIK) on expenditure incurred by an employer in connection with the provision of a facility for the charging of an

electric vehicle at the home of a director or an employee. In addition, the section includes an exemption from BIK where a facility for the electric charging of vehicles is provided on a business premises where all employees and directors can avail of the facility.

Practitioners welcomed the amendment and queried whether the exemption applies where the employee owns the vehicle and the employer provides the charging facility. Revenue confirmed the policy intention is for this exemption to apply to electric vehicles subject to section 121 or section 121A TCA 1997, i.e., employer provided vehicles. The exemption only applies if the charging facility is at the employee's/director's main residence. The policy intention is for the employer to retain ownership of the charger. Practitioners queried what happens if the employee/director sells their residence. Revenue agreed to consider this.

Revenue clarified the provision of electricity to charge the electric vehicle at the residence of the employee/director is not included in the BIK exemption as the legislation relates to the charging facility only. Practitioners queried this interpretation given similar wording is used in subsection (5H) (a) and (b).

** Revenue provided a written response to practitioners' queries after the meeting – set out in Appendix I.*

**Section 12 – Employer contributions to PRSAs and PEPPs**

Section 12 amends section 118(5) TCA 1997 to specify that the exemption of the BIK charge from expenses incurred in the making of any contribution to a Personal Retirement Savings Account (PRSA) and Pan- European Pension Product (PEPP) will only apply to contributions up to an 'employer limit' which is equal to 100% of an employee's salary in the year of assessment.

Practitioners noted the abolition of BIK on employer contributions in Finance Act 2022 was intended to level the playing field with occupational pension schemes and queried the policy rationale for the amendment to section 118(5). Practitioners observed that if there are concerns regarding the level of employer contributions made to PRSAs in certain cases, existing provisions in the tax code, such as Section 81 TCA 1997 and the provisions dealing with salary sacrifice arrangements, can address those concerns.

Practitioners raised concerns that the amendment will add further complication to the pensions landscape and does not align with the objective of simplification of pensions. In addition, the ability for some owner/directors to make larger contributions towards their pension as they approach retirement has now been severely restricted meaning that in many cases PRSAs will no longer be feasible. Practitioners noted these individuals usually take a small salary from their business in the earlier years as available cash is reinvested in the business. Such business owners may make irregular pension contributions when there is available cash flow in the business.

Revenue noted the change to employer contributions to PRSAs and PEPPs is a policy decision. A note from the Department of Finance was read out at the meeting to confirm the Finance Act 2022 changes were based on a recommendation from the Report of the Interdepartmental Pensions Reform and Taxation Group, however, Revenue monitoring identified certain cases giving rise to significant concerns. It was noted the simplest way to address these concerns would have been to remove the BIK exemption entirely. Instead, a decision was made to limit the exemption to 100% of an employee's salary in the year of assessment as provided in Finance Bill 2024.

Practitioners noted that the recommendation of the Interdepartmental Pensions Reform and Taxation Group was for the different funding rules between PRSAs and occupational pensions to be addressed alongside the removal of the BIK charge on employer contributions to PRSAs. Practitioners stressed that the Finance Bill amendment goes against the recommendation of the Interdepartmental Pensions Reform and Taxation Group

and does not align with the treatment of occupational pensions. Revenue noted that is this is a policy issue, and that practitioners can engage with the Department of Finance on this matter.

Practitioners queried how the provision should apply in real-time if a contribution to a PRSA is made early in the year before any salary is paid to the employee. Revenue noted they would consider the issue if a written note was provided and reminded that the contributions can be based on 100% of an employee's salary for the prior year of assessment in certain circumstances.

**Section 13 – Pensions (standard fund threshold)**
Section 13 provides for a number of changes to the operation of the Standard Fund Threshold (SFT), including a phased increase to the level of the SFT to €2.8 million by 2029 and then linked to the higher of €2.8 million or an amount adjusted in line with the Earnings, Hours and Employment Costs Survey from 2030 onwards.

Practitioners noted that as presently drafted, the interaction between the SFT increases and Paragraph 4 and 5 of Schedule 23B TCA 1997 could result in inequitable and distortive outcomes for individuals that have benefit crystallisation events (BCEs) before these increases take effect. Because Section 13 incorporates SFT increases intended to act as a catch-up for an extended period of non-indexation of the threshold, the application of the indexation mechanism provided for in Paragraph 5 of Schedule 23B risks prior BCEs being indexed far above the actual rate of inflation over the period between those prior events and the current BCE.

Practitioners suggested that to address this position, Paragraph 5 could be amended to provide that any prior BCE events will be indexed to take account of the intervening increase in average wages, in a similar manner to the way in which the SFT will be inflated after 2030, under the provisions of Section 13 of Finance Bill 2024.

Revenue confirmed this matter has been raised with the Department of Finance and the Department will consider the points raised and engage with stakeholders. Revenue observed that this issue was not raised when there were increases to the SFT previously.

**Section 19 – Exemption for certain sporting national governing bodies**
Section 19 inserts a new section 235A into the TCA 1997 to provide that certain National Governing Bodies (NGB) can have an exemption from income tax or corporation tax for income which is ultimately applied for certain qualifying purposes within a ten year period.

Practitioners noted the legislation defines 'maximum amount' as €100 million but noted there is no definition of accumulated income. Revenue noted if the NGB has income of up to €100 million and retains it, then it may avail of the exemption, but if it is retained over that amount, the exemption would be lost. Revenue confirmed the policy intention is to allow larger NGBs to invest the income for qualifying purposes.

Practitioners queried whether the provision applies for income accumulated on a go forward basis only and Revenue agreed to consider this aspect when drafting the guidelines.

**Section 23 – Amendment of section 822 of Principal Act (split year residence)**
Section 23 amends section 822 TCA 1997 in relation to Split Year Residence (SYR) by removing the requirement to supply an 'in-year' notification to avail of SYR, under section 822 to individuals arriving or departing Ireland on or after 1 January 2025.

Revenue confirmed the amendment will apply for the year of assessment 2026 and subsequent years and will first apply to cases where an individual arrives in or departs from the State on or after 1 January 2025. For example, where an individual departs from the State in 2025 and is non-resident in 2026, SYR may apply for 2025.

In 2025, a taxpayer can continue to make in-year claims where the conditions are met. The legislation remains unchanged for individuals who want to claim the benefit in-year. Revenue confirmed the new regime will apply for those individuals that do not satisfy the authorisation requirement but otherwise satisfy the residence conditions.

The claim can be made through the filing of a tax return for the year of arrival/departure submitted after the year end. The Form 12 includes a field to claim SYR and Revenue confirmed for 2025 and 2026 the Form 11 will be updated to include a field to claim the relief.

**Section 26 – Amendment of section 990 of Principal Act (assessment of tax due)**
Section 26 amends subsection (5) of section 990 of the TCA 1997 to provide that the four-year time limit for the making or amending of assessments by a Revenue officer commence at the end of the year following the year of assessment in which the employer return for an income tax month is made. This provision is effective for all income tax month returns from 1 January 2025 onwards.

Practitioners noted the amendment appears to treat the December payroll differently to the January to November payroll. While this only becomes an issue in 2031, practitioners stated it is unclear whether this is an unintended consequence. Revenue confirmed that this issue was considered last year and a decision was taken. Revenue noted the return for the income tax month of December falls in the later tax year. The provision is intended to deal with circumstances where a return is filed late and there will now be a four-year period to raise an assessment.

Practitioners queried the effective date of the provision noting that the Explanatory Memorandum states that the provision is effective for all income tax month returns from 1 January 2025 onwards. Revenue confirmed that if the return for the income tax month, November 2024, is filed in December 2024, the old rules apply. It was noted that depending on when the Finance Bill is enacted, the amendment could apply to the December 2024 payroll and Revenue will clarify this point.

**Income Tax, Corporation Tax and Capital Gains Tax – Part 1, Chapter 4**

**Section 36 – Amendment of section 480C of Principal Act (residential premises rental income relief)**
Section 36 amends section 480C of the TCA 1997 which was inserted by Finance (No.2) Act 2023 to provide income tax relief for individual landlords of rented residential property. Practitioners raised concerns with the clawback provision in the context of in-life transfers between spouses which arise under a court order. Revenue noted this issue had been raised last year following the introduction of the section. Revenue confirmed the issue was brought to the Department of Finance for their consideration and a decision was taken not to include the matter in the Bill.

**Section 37 – Amendment of Part 16 of Principal Act (relief for investment in corporate trades)**
Section 37 amends Part 16 of the TCA 1997 which provides for relief for investment in corporate trades (RICT). Practitioners queried whether it is intended to amend the Employment Investment Incentive (EII)

provisions to reflect the range of simplification measures which were discussed at the TALC Sub-Committee on Simplification of Business Reliefs for SMEs.

Revenue noted the matters outlined in the appendix to the report from the TALC Sub-Committee on Simplification of Business Reliefs for SMEs were policy proposals and did not form part of the recommendations of the report. The Department of Finance have clarified that such proposals will be considered as part of the normal Finance Bill process. The Department noted that some policy matters raised by stakeholders were dealt with in the Finance Bill 2024. Further consideration is required in respect of other issues raised and the Department will engage with stakeholders accordingly.

Practitioners noted the amendment to section 502 (2A)(b)(ii) TCA 1997 requires that at the time the eligible shares issued, each member of the RICT group has been operating in any market within a period referred to in clause (I) or (II) of section 496(5)(a)(ii). This could mean many companies would be prevented from availing of EII. Revenue confirmed that each member of the RICT Group must meet this condition.

Practitioners also noted the definition of RICT group under section 489 TCA 1997 is causing issues in practice and it does not reflect the General Block Exemption Regulation (GBER) rules which do not require a retrospective review of a company that is part of a RICT group. Revenue clarified their position is that there is no inconsistency between the legislation noted, being section 489 and section 496 TCA 1997. Practitioners can engage with the Department of Finance on the matter in relation to the interpretation of GBER.

**Miscellaneous – Part 6**

**Section 111 – Repayment of tax in case of ceased company: double taxation relief**
Section 111 inserts a new section 826B into the TCA 1997 to provide that where a correlative adjustment or mutual agreement reached gives rise to a repayment of tax, subject to the satisfaction of all the relevant conditions, that the repayment of tax may be made to another group company in instances where the company that would have been entitled to the repayment has ceased to exist.

Revenue confirmed that this amendment arose from Mutual Agreement Procedure (MAP) cases where the companies in question had ceased to exist. Under section 865, there was no basis to make a repayment of tax that was due to an entity where that entity no longer exists. This amendment is made to allow another group company to claim the repayment, subject to the satisfaction of all the relevant conditions.

**Attendees at this meeting:**

| Revenue | ITI | CCAB-I | Law Society |
|---|---|---|---|
| Tom James<br>Jeanette Doonan<br>Therese Bourke<br>Brian Boyle<br>Dave Brennan (Secretary)<br>Alan Carey<br>John Kelly<br>Karen Drake<br>Keith Noonan<br>Jacqueline O'Callaghan<br>John Quigley<br>Eleanor Smiley<br>Liam Smith<br>Emily Carmody<br>Aisling Dooley<br>Deirdre Fahy<br>Maresa Hempenstall<br>Máirín Kane<br>David Hanlon<br>Norma Lane<br>Michael Loftus<br>Michelle Mangan<br>Martha McCormack<br>John McGorry<br>Deirdre Ní Alluráin | Laura Lynch (Chair)<br>David Fennell<br>Peter Croke<br>Tom Maguire<br>Stephen Ruane<br>Pat Mahon<br>Mark Barrett<br>Anne Gunnell<br>Clare McGuinness<br>Lorraine Sheegar<br>Margaret Lynch<br>Brendan Murphy<br>Fiona Carney | Gearóid O'Sullivan<br>Gráinne McDermott<br>Enda Faughnan<br>Ken Garvey<br>Brian Purcell<br>Peter Vale | Caroline Devlin<br>Aidan Fahy<br>Aileen Keogan<br>David Lawless<br>James Somerville<br>John Cuddigan<br>Sonya Manzor<br>Maura Dineen |

## Appendix I

## TALC QUERIES ON AMENDMENT TO SECTION 118(5H) TCA 1997

### Section 9 – Amendment of section 118 of Principal Act (benefits in kind: general charging provision)

Section 9 amends section 118 TCA 1997 to provide an employee with an exemption from Benefit-in-Kind (BIK) on expenditure incurred by an employer in connection with the provision of a facility for the charging of an electric vehicle at the home of a director or an employee. In addition, the section includes an exemption from BIK where a facility for the electric charging of vehicles is provided on a business premises where all employees and directors can avail of the facility.

Practitioners welcomed the amendment and queried whether the exemption applies where the employee owns the vehicle, and the employer provides the charging facility. Revenue confirmed the policy intention is for this exemption to apply to electric vehicles subject to section 121 or section 121A TCA 1997, i.e., employer provided vehicles. The exemption only applies if the charging facility is at the employee's/director's main residence. The policy intention is for the employer to retain ownership of the charger. Practitioners queried what happens if the employee/director sells their residence. Revenue agreed to consider this.

*Revenue Comment:*
*Electric chargers are not permanently fixed to a house; they may be removed in the event the an employee/director sells their residence. The policy intention is that the exemption as provided for in section 118(5H)(b) only applies where ownership of the charging facility is retained by the employer. Where an employee/director sells their residence and relocates the electric charging facility to his or her new main residence a BIK will not arise on the basis that ownership is retained by the employer.*

Revenue clarified the provision of electricity to charge the electric vehicle at the residence of the employee/director is not included in the BIK exemption as the legislation relates to the charging facility only. Practitioners queried this interpretation given similar wording is used in subsection (5H) (a) and (b).

*Revenue Comment:*
*Section 118(5H)(a) TCA 1997 applies where the electric charging facility is located at the employer's business premises, and as such the electricity used to charge the electric vehicle is charged to and paid for by the employer.*

*S.118(5H)(b) applies where a charging facility is provided at the employee/directors home, and as such the employee/director incurs the cost of the electricity used to charge their car. Section 118(5H)(b) does not provide for a specific BIK exemption in regard to the electricity used to charge the electric vehicle.*