

By PwC Deutschland | 09. Oktober 2012

Place of work must be business facility of employer

The Supreme Tax Court has rejected a tax office attempt to assume a customer's premises as an employee's regular place of work merely because of a long term assignment.

An employee of an engineering company worked on long-term assignment on the premises of a power station customer. He claimed a full business expense deduction for his travelling cost to and from work; the tax office rejected the claim on the grounds that the customer premises had long since become his regular place of work. The Supreme Tax Court has, however, now held that an employee's regular place of work can only be on the business premises of the employer. These business premises do not have to be owned by the employer, although they must be permanently at his disposal. If an employee was merely delegated to a customer for an indefinite period – no matter for how long – his assignment was not a change of employment location. He remained therefore entitled to the full business travel deduction as opposed to the significantly lower employee expense allowance.

Supreme Tax Court judgment VI R 47/11 of June 13, 2012 published on September 26

Schlagwörter

business facility, business premises, place of work