

business insurance, if you determined the allowance without including these reimbursements

When your employees fill out their income tax and benefit return, they do not include this allowance in income.

## Reasonable allowance rates

For 2023, they are:

- 68¢ per kilometre for the first 5,000 kilometres driven
- 62¢ per kilometre driven after that

For the Northwest Territories, Yukon, and Nunavut, they are:

- 72¢ per kilometre for the first 5,000 kilometres driven
- 66¢ per kilometre driven after that

For prior-year rates, see [Automobile allowance rates](#).

### ► Example: Employee who is paid an allowance at the prescribed rate

Did you find what you were looking for?

What was wrong?

- ☐ I can't **find** the information
- ☐ The information is hard to **understand**
- ☐ There was an error or something **didn't work**
- ☐ Other reason

Please provide more details

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