

Deductions for Transport and Education

Deduction of expenses incurred and determined by the employer for the transport, food and professional studies of the employee

Transportation

The employer is entitled to deduct the expenses incurred in relation to the organized transportation of employees within maximum limits of the average ceiling in the amount of MDL 25 (net of VAT) per employee per day effectively worked by the transported employees. This value ceiling is calculated as a ratio between monthly expenses incurred by the employer for the organized transportation of employees and the number of employees transported in a month multiplied by the number of days when the effective transportation of employees took place.

Food

The employer, where the average gross monthly salary is equal to or exceeds the monthly average salary quantum in the economy forecasted for each year, is entitled to deduct the expenses related for the organized provision of food to the employees. Under this point, the average gross monthly salary is calculated based on the monthly remuneration fund of the employer in relation to the average staff number employed in the respective month.

Professional education

The employer is entitled to deduct the expenses for professional education/training, incurred for the benefit of the employees during a fiscal year, provided that such expenses occur exclusively in the framework of the entrepreneurial activity and based on the necessity for this education/training for the category and specifics of employees' activity.

The incentive consists in the right to have the taxable income reduced by an amount calculated by multiplying the yearly average salary in the country for the year prior the reported fiscal year by the increase of the average number of employees in the reported fiscal year compared to the previous year, but not higher than the taxable income.

Beneficiaries

All companies registered in Moldova



Relevant legislation

[Fiscal Code \(Art. 24, para. \(19\)\)](#)

[Law No. 324 of 23 December 2013](#)

[Government Decree on approving the Regulation on the quantum and criteria of establishing the expenses incurred and determined by the employer for transportation, food and professional education of the employee No. 144 of 26 February 2014](#)

Notes

Conditions concerning deduction of expenses related to the organized transportation of employees

The amounts lesser than MDL 25 shall not be considered as compensation or benefits granted by the employer from the employee's and employer's perspective and will not involve any fiscal obligations of withholding or additional calculations for the employees. If the average ceiling is exceeded, only the amounts exceeding the respective ceiling will be considered compensations and facilities granted by the employer to the employees. In this case, the employer will be responsible to determine and allocate the amount exceeding the average ceiling, as well as to declare and pay the taxes, the mandatory state social security contributions and the mandatory health insurance premiums related to the exceeded amount in accordance with the legislation in force.

The deduction of incurred expenses is allowed, provided the following justifying documents are presented:

In case of organization of employees' transportation by the employer independently:

- The internal order of the employer that sets out the employees' transportation policy;
- The itinerary of the transportation vehicle used to transport the employee from/to the workplace, as well as the list of transported employees for each route in the respective month;
- The driver log books related to the transportation vehicle used to transport the employees;
- The time sheets (recording the working time of the employees); and
- Documents confirming that expenses have been effectively incurred.

If the employer benefits of services provided by third parties, including public transportation, to transport its employees:

- The internal order of the employer that sets out the employees' transportation policy;
- Service provision contract, in case when public transportation is used. In other cases of using the services provided by third parties, besides the contract, one will present also the used itinerary, as well as the way bill for each route;
- Time sheets (recording the working time of employees);
- Fiscal invoice.

Expenses for organized provision of food to the employees

The maximum threshold allowed for deduction will not exceed MDL 35 (VAT excluded) per employee for each day effectively worked by the respective employee. The amounts that fit within the established value will not be considered compensations or facilities granted by the employer from the employee's or employer's perspective, and, respectively, will not imply any fiscal obligations, of retaining or



additional calculations for the employees. In case of amounts exceeding the established ceiling, only the amounts that exceed the respective ceiling will be considered compensations and facilities.

The deduction of expenses is allowed provided that the following justifying documents are submitted:

- The internal order of the employer that sets out the policy concerning the organized food provision to employees, directly indicating the list of employees provided with food;
- The document representing the agreement of the employee concerning the food provision;
- Documents confirming the costs incurred in relation to the food provision to employees, in the case when the employer independently provides the food to the employees;
- The catering service provision contract, in case when the employer provides the organized food to the employees by subcontracting third parties;
- Fiscal invoice;
- Time sheets (recording the working time of employees).

Expenses for professional education of employees

The respective expenses will not be considered compensations and facilities granted by the employer from the employee's and employer's perspective and will not imply any fiscal obligations, of retaining or additional calculations for the employee or the employer.

The deduction of incurred expenses is allowed, provided that the following justifying documents are submitted:

- The internal order of the employer specifying the list of employees that will benefit of professional education/training;
- The contract, invoice or other documents confirming the incurred expenses and the provision of employees' professional education/training services.

