

Information for Employees of a Transport Business and for Other Transport Employees

Employment conditions

You can deduct the cost of meals and lodging if you meet **all 4** of the following conditions:

- You work for an airline, railway, bus, or trucking company, or for any other employer whose main business is the transport of goods, passengers, or both.
- You travel in vehicles your employer uses to transport goods or passengers.
- You **regularly** have to travel away from the municipality and the metropolitan area (if there is one) where your employer's relevant establishment (home terminal) is located.
- You **regularly** incur meal **and** lodging expenses while travelling away from the municipality and the metropolitan area (if there is one) where your employer's relevant establishment (home terminal) is located. This means that you must generally be away from home overnight to do your job.

If your employer has paid or will pay you for any part of your meal and lodging expenses, subtract that amount from your claim. For information on meal allowances and subsidized meals, see Information Circular 73-21, *Claims for Meals and Lodging Expenses of Transport Employees*.

If you do not meet all of the above 4 conditions, you still may be able to claim the cost of meals you incur in the year if you satisfy the conditions listed under the section called "Travelling Expenses" in Chapter 3 of guide T4044, *Employment Expenses*. If these conditions are met, you still will qualify to use the simplified method of meal reporting described on this page. For more details about both sets of conditions, see Information Circular 73-21.

You can also deduct the cost of meals and lodging when you meet one of the following conditions:

- You work for a railway company as a telegrapher or station agent in a relief capacity, or you carry out maintenance and repair work for the railway company while working away from home.
- You are a railway employee who works away from the municipality and the metropolitan area (if there is one) where your employer's relevant establishment (home terminal) is located. You also work at such a distant location that it is unreasonable for you to return daily to your home, where you support a spouse or common-law partner, or a dependant related to you.

If your employer has paid or will pay you for any part of your meal and lodging expenses, subtract that amount from your claim.

Deductible expenses

Deductible expenses include any goods and services tax (GST) and provincial sales tax, or harmonized sales tax (HST) you paid on these expenses. You may be able to receive a rebate of the GST/HST you paid. We discuss this rebate in Chapter 9 of guide T4044, *Employment Expenses*.

Meals

To calculate your meal expenses, use one of these methods:

The detailed method – The detailed method means that you have to keep a record book itemizing each expense. You also have to keep receipts to support the amount you deduct.

The simplified method – For 2006 and later years, the simplified method is based on a daily meal rate of **\$17** for each meal. You do not have to keep receipts for your meals, but you have to keep a detailed list of the trips you take.

The batching method – When you are part of a work crew, such as on a train, your employer may provide you with cooking facilities. If you buy groceries and cook meals either by yourself or together, for 2006 and later years, each person can claim up to **\$34** for each day. As long as you do not claim more than this amount, you do not have to keep receipts.

Under either the detailed or simplified method, you can claim one meal after every four hours from the departure time, to a maximum of three meals per day. For the purposes of calculating the maximum number of meals allowed, a day is considered to be a 24-hour period that begins at the departure time.

The most you can deduct for meal expenses is **50%** of your claim. For example, if you use the simplified method, which is based on a daily meal rate of \$17 per meal, the most you can deduct is \$8.50 (\$17 x 50%) for each meal.

Lodging and showers

You can deduct your lodging and shower expenses. Keep receipts to support the amount you deduct.

Trips to the United States

You can claim the meal and lodging expenses you incur while performing your duties as a transport employee in the United States, but you have to convert the amounts into Canadian dollars. If you are using the simplified method of reporting meal expenses, for 2006 and later years, you are entitled to **US\$17** per meal while in the United States. The most you can deduct for meal expenses is **50%** of your claim, just as it is for trips within Canada.

Calculate the total U.S. dollar amount of both the meal and lodging expenses incurred in the United States and convert these two totals to Canadian dollars by multiplying them by the average annual conversion rate as determined by the Bank of Canada. You can contact us to get this conversion rate. Provide a summary of these trips to the United States in **Part 2 – Trip and expense summary** on the front of this form. Attach a more detailed list of these trips to this form.

How to claim your expenses

Complete this form, and claim your meal and lodging expenses on line 229 of your return. Your employer has to sign the form. You do not have to send this form with your return, but you should keep it in case we ask to see it later.

If you want more information about meal and lodging expenses, see Information Circular 73-21, *Claims for Meals and Lodging Expenses of Transport Employees*. If you still need help completing this form, call **1-800-959-8281**.