



Office of the State Comptroller
PAYROLL BULLETIN

Subject Procedures for Reporting the Value of Personal Use of Employer Provided Vehicles for 1994	Bulletin No. P-836
	Date November 7, 1994

This Bulletin contains instructions for reporting the taxable value of State provided vehicles for 1994.

The rules for determining the taxable value are contained in Bulletin P-750 issued December 1, 1992. The following changes have been made in these rules, effective January 1, 1994.

(1) Special Commuting Rule

Employees whose annual salary is equal to or greater than \$108,200 are not permitted to use the Special Commuting Rule. This amount has not changed for 1994.

(2) Fixed Rate Per Mile

The Fixed Rate Per Mile Method cannot be used for automobiles first made available for employees' personal use in 1994 if the fair market value exceeds \$14,700.

The rate per mile, if gasoline is not supplied or reimbursed, is 23.5 cents per mile for all miles. If gasoline is supplied or reimbursed by the employer the rate is 29 cents per mile.

State Officers who have a vehicle for unrestricted use (as defined on page 3 of Bulletin P-750) should be reminded of the following provisions of the rules:

- (a) These officers who have the same vehicle as they had in 1993 must use the same method to determine the taxable value as they used last year and must use that method for all future periods during which they have the same vehicle.

Officers who have had the same vehicle since January 1, 1990 (4 full years) may recompute the annual lease value effective January 1, 1994.

- (b) Officers newly assigned a vehicle or who receive a replacement vehicle may choose either the ALV method or the Fixed Rate Method for the new vehicle but then must use that method for all future periods during which they have that vehicle. Once the Annual Lease Value has been established it must be used for a four-year period or until the individual no longer has the vehicle.

- (c) Officers are responsible for maintaining documentation to support the business use of the vehicle. The standard for recordkeeping is that there be "adequate records or sufficient evidence" to support any business use of their vehicle. Examples of acceptable substantiation would be account books, diaries, logs, receipts, bills, trip sheets or expense forms. Written records made at or near the time the expense was incurred should be maintained to document the time, date, place and purpose of business travel.

REPORTING THE VALUE OF PERSONAL USE OF A VEHICLE

A form similar to the sample attached to this Bulletin should be completed and signed by each employee covered by the regulations and retained by the agency.

The taxable value of use of an employer provided vehicle is subject to income and Social Security/Medicare taxes and must be reported as income on the W-2. Although New York State will not withhold income taxes, Social Security/Medicare tax must be withheld. The amount is not considered salary for the purposes of computing retirement benefits.

In 1994 OSC will report as income on W-2's, the value of personal use of a State provided vehicle for the period November 1, 1993 through October 31, 1994.

The taxable amounts for 1994 should be reported as soon as possible but no later than Institution Period 18-Lag and 19-Current and Administration Period 18-Lag and 19-Current as described below:

1. Active Employees

PR-75's reporting the taxable value should be submitted.

2. Inactive Employees

Do not submit PR-75's. Prepare a letter including the line number, name, SS# and taxable amount for each employee and submit the letter with your payroll for the period.

Transaction code-FRIDGE BEN-is used for reporting the information for active employees.

Transaction Code: FRIDGE BEN

Group 3
Class B

Block Requirements: 01 thru 06 and the following:

07 Transaction Code - FRIDGE BEN
49 Misc Block A - Taxable Amount

Do not include the Fringe Benefit amount in the Gross (Add). It is not an amount to be paid, but only reported as gross income. The Fringe Benefit information must be in the Miscellaneous Blocks. Do not report it in Remarks.

In processing, the taxable amount will be added to the Biweekly Gross prior to the calculation of Social Security/Medicare tax and the tax will be computed on the full amount, unless the employee has paid the maximum tax.

The amount will be shown on the check stub in the ADDT'L SAL INFO block with the code TFB and will be included in the YTD GROSS. It will also appear on the salary register and in the YTD GROSS and in the YTD FRINGE BENEFITS on the YTD SUMMARY.

If additions or adjustments must be made for 1994 after the payroll period listed above, do not submit PR-75's. Contact Bob Phelan of the Payroll Deduction Section at (518) 473-1989. These adjustments must be received and processed by this Office prior to the production of 1994 W-2's in January, or you will have to prepare amended W-2's.

Attachment

STATEMENT OF PERSONAL USAGE
OF STATE PROVIDED VEHICLES

AGENCY CODE _____

AGENCY NAME _____

LINE NUMBER _____

EMPLOYEE NAME _____

SOCIAL SECURITY _____

ANNUAL LEASE VALUE METHOD

YEAR MAKE MODEL _____ AUTOMOBILE FAIR MARKET VALUE _____

=

$$\frac{\text{TOTAL MILES}}{\text{PERSONAL USAGE} + \text{BUSINESS MILES}} \times \frac{\text{BUSINESS MILES}}{\text{TOTAL MILES}} = \$ \text{AMT. FOR BUSINESS USE}$$

$$\text{GASOLINE CALCULATION } 5.5\text{¢} \times \frac{\text{NO. OF PERSONAL MILES}}{\text{NO. OF PERSONAL MILES} + \text{AMT. OF GASOLINE}} = \$$$

OR

$$\frac{\text{TOTAL COST OF GASOLINE}}{\% \text{ OF PERSONAL MILES}} \times \frac{\% \text{ OF PERSONAL MILES}}{\text{AMT. OF GASOLINE}} = \$$$

$$\begin{matrix} \$ & - & \$ & + & \$ & + & \$ & = & \$ \\ \text{ANNUAL LEASE} & & \text{BUSINESS} & & \text{AMT. OF} & & \text{CHAUFFEUR} & & \text{TAXABLE} \\ \text{VALUE} & & \text{USE} & & \text{GASOLINE} & & \text{AMT.} & & \text{FRINGE} \\ & & & & & & & & \text{BENEFIT AMT.} \end{matrix}$$

*ONCE THE ALV AMOUNT IS ESTABLISHED, USE IT FOR THE NEXT FOUR YEARS OR UNTIL THE AUTOMOBILE IS REPLACED

FIXED RATE METHOD

$$\text{NO. OF MILES COMMUTING OR PERSONAL} \times 29\text{¢} = \text{(TAXABLE FRINGE BENEFIT TOTAL)}$$

*IF GASOLINE IS NOT SUPPLIED OR REIMBURSED USE 23.5¢

SPECIAL COMMUTING RULE

$$\text{NO. OF TRIPS COMMUTING (EACH WAY)} \times 1.50 = \text{TAXABLE FRINGE BENEFIT AMT.}$$

TO EMPLOYEE

COMPLETE AND SIGN THIS FORM AND RETURN IT TO YOUR PERSONNEL OFFICE

EMPLOYEE SIGNATURE/DATE

PERSONNEL — ENTER "TAXABLE FRINGE BENEFIT AMOUNT" IN BLOCK 49 WHEN PREPARING THE PR-75. RETAIN THIS FORM FOR YOUR RECORDS.