



Office of the State Comptroller  
**PAYROLL BULLETIN**

<b>Subject</b>  Procedures for Reporting the Value of Personal Use of Employer Provided Vehicles for 1988	<b>Bulletin No.</b> P-581
	<b>Date</b> October 18, 1988

This Bulletin contains instructions for reporting the taxable value of State provided vehicles for 1988.

The rules for determining the taxable value are contained in Bulletin P-544, issued November 12, 1987. There is only one change to the rules and it affects only State Officers who have an automobile for unrestricted use (as defined on page 3 of Bulletin P-544). In 1988

- (a) these officers who have the same vehicle as they had in 1987 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.
- (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.

PERIOD COVERED

In 1988 we will report the value of personal use of a State provided vehicle for the period November 1, 1987 through October 31, 1988.

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. Be sure you notify the employee that he or she is responsible for maintaining the records to support the claimed business use.

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

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

Transaction Code: FRINGE BEN

Group 3  
Class B

Block Requirements: 01 thru 06 and the following:

07 Transaction Code - FRINGE 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 Biweekly Gross prior to the calculation of Social Security tax and the tax will be computed on the full amount, if the employee has not 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 YTD GROSS. It will also appear on the salary register and in the YTD GROSS and in YTD Fringe Benefits on the YTD Summary.

The taxable amounts for 1988 should be reported as soon as possible but no later than Institution Period 18-Lag 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.

If additions or adjustments must be made for 1988 after the payroll period listed above, do not submit PR-75's. Contact Bob Phelan of the Payroll Deduction Section at 473-1989. These adjustments must be received and processed by this Office prior to the production of 1988 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

TOTAL MILES PERSONAL USAGE BUSINESS MILES  
 \*ANNUAL LEASE VALUE X  $\frac{\text{BUSINESS MILES}}{\text{TOTAL MILES}}$  = \$ AMT. FOR BUSINESS USE

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

OR

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

\$ ANNUAL LEASE VALUE - \$ BUSINESS USE + \$ AMT. OF GASOLINE + \$ CHAUFFEUR AMT. = \$ TAXABLE FRINGE BENEFIT AMT.

\*ONCE THE ALV IS ESTABLISHED, IT MUST BE USED FOR FOUR YEARS OR UNTIL THE AUTOMOBILE IS REPLACED.

FIXED RATE METHOD

NO. OF MILES COMMUTING OR PERSONAL UP TO 15,000 X 22.5¢ = \_\_\_\_\_

NO. OF MILES IN EXCESS OF 15,000 X 11¢ = \_\_\_\_\_

TAXABLE FRINGE BENEFIT TOTAL \$ \_\_\_\_\_

IF GASOLINE IS NOT SUPPLIED OR REIMBURSED USE 7.5¢ and 5.5¢, RESPECTIVELY.

SPECIAL COMMUTING RULE

NO. OF TRIPS COMMUTING (EACH WAY) x 1.50 = 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.

