Office of the State Comptroller

PAYROLL BULLETIN

Subject	Bulletin No.
Procedures for Reporting the Value of Personal Use of Employer Provided Vehicles for 1990	P-669
	Date October 16, 1990

This Bulletin contains instructions for reporting the taxable value of State provided vehicles for 1990.

The rules for determining the taxable value are contained in Bulletin P-544, issued November 12, 1987. The following changes have been made in these rules, effective January 1, 1990.

(1) Special Commuting Rule
Employees whose annual salary is equal to or greater than $78,200 are not permitted to use the Special Commuting Rule. They must use the fixed rate Per Mile Method.

(2) Fixed Rate Per Mile
The rate per mile, if gasoline is not supplied or reimbursed, has been changed to 20.5 cents per mile for all miles. (The separate rates for miles under or over 15,000 have been eliminated.) If gasoline is supplied or reimbursed by the employer the rate is 26 cents per mile.

State Officers who have a vehicle for unrestricted use (as defined on page 3 of Bulletin P-544) should be reminded of the following provisions of the rules:

(a) these officers who have the same vehicle as they had in 1989 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 Janaury 1, 1986 (4 full years) may recompute the annual lease value effective January 1, 1990.

(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 established the ALV 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.

PERIOD COVERED

In 1990 we will report the value of personal use of a State provided vehicle for the period November 1, 1989 through October 31, 1990.

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 for income taxes, Social Security/Medicare 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 the Biweekly Gross prior to the calculation of Social Security/Medicare 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 1990 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 1990 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 1990 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

X

_____ _____ BUSINESS MILES / TOTAL MILES = $_____
*ANNUAL LEASE VALUE AMT. FOR BUSINESS USE

GASOLINE CALCULATION 5.5¢ X _____ = $_____
NO. OF PERSONAL MILES AMT. OF GASOLINE

OR

_____ X _____ = $_____
TOTAL COST OF GASOLINE % OF PERSONAL MILES 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 X 26¢ = _____
(TAXABLE FRINGE BENEFIT TOTAL)

* IF GASOLINE IS NOT SUPPLIED OR REIMBURSED USE 20.5¢

SPECIAL COMMUTING RULE

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