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Department of Transportation

REPORTING VEHICLE FRINGE BENEFITS

AUTHORITY:

Sections 20.23(3)(a) and 334.048(3), Florida Statutes (F.S.)

REFERENCE:

Maintenance Procedure No. 400-000-001, Mobile Equipment Procedures Manual
Volume VI, Section 3, Fringe Benefits, Bureau of State Payroll Preparation Manual
IRS Publication 15-B, Employer's Tax Guide to Fringe Benefits
IRS Publication 5137 Fringe Benefits Guide
Rule 60B-1, Motor Vehicles and Watercraft Acquisition, Assignment and Use Policy,
Florida Administrative Code (F.A.C.)

STATEMENT OF POLICY:

To establish the process for recording vehicle fringe benefits provided to Department employees when they are authorized or required to commute between work and home in a normally configured passenger type car or pickup provided by the State.

SCOPE:

This procedure affects Department employees that use a state-provided vehicle to commute between work and home.

DEFINITIONS:

Commuting - The authorized use of State vehicles for the purpose of traveling between the employee's official work station and residence. There are two types of commuting:

- 1) "Exempt commuting" means that the employee is exempt from federal taxation reporting requirements. Included is "De minimis" use and work-related use of a "qualified non-personal use vehicle" as defined by this procedure.

- 2) "Reportable commuting" means that the employee is subject to federal taxation reporting requirements.

Control Employee: Any elected official or government employee whose annual compensation exceeds the Federal Government Executive Schedule Level V pay rate (The pay rate for the current year is available in the Department of Financial Services Bureau of State Payrolls Preparation Manual, Volume 6, Section H.4.c.)

De Minimis personal use: The personal use of a State vehicle that is so small in value that accounting for it would be unreasonable or administratively impractical. An example would be a stop for lunch between two official business destinations.

1. GENERAL INFORMATION

- 1.1 An employee's personal use of a state-provided vehicle may be a taxable fringe benefit. Department employees who are allowed or required to make personal use of a state vehicle to commute between work and home may be required to have the value of the usage included in their wages.

2. EXEMPT COMMUTING

- 2.1 Use of a qualified non-personal use vehicle to commute between home and work is a non-taxable fringe benefit. A qualified non-personal use vehicle is any vehicle the employee is not likely to use more than minimally for personal purposes because of its design, including but not limited to the following examples (from *IRS Publication 15-B Employer's Tax Guide to Fringe Benefits*):

- A. Clearly marked police and fire vehicles
- B. Any vehicle designed to carry cargo with a gross vehicle weight over 14,000 pounds
- C. Delivery trucks with seating for only the driver or a driver plus a folding jump seat
- D. Dump trucks, including garbage trucks
- E. Tractor and other special purpose farm vehicles
- F. Unmarked law enforcement vehicles if the use is officially authorized
- G. Trucks and vans that have been specially modified with the expectation that it is not likely to be used more than a de minimis amount for personal purposes. Such modifications may include vehicles with the following characteristics:
 - 1) Only a front bench for seating

- 2) Permanent shelving that fills most of the cargo area
- 3) Consistently carries merchandise or equipment
- 4) Specially painted with advertising or the company's name

2.2 An employee that uses a state provided vehicle in departing upon or returning from an official trip away from his headquarters under circumstances which make it impractical to use other means of transportation, is exempt from reporting the use of the vehicle as a fringe benefit. These conditions are normally being incurred at the beginning or end of official overnight travel away from the employee's headquarters. As such, the commute between work and home in the state-provided vehicle is part of the official travel and/or a de minimis use of the vehicle and not taxable.

3. REPORTABLE COMMUTING

3.1 An employee that uses a state provided vehicle after completion of regular work to conduct state business on the same day or before his usual working hours begin on the next day is required to report the use of the vehicle as a fringe benefit. These conditions normally occur when the employee is required to take the vehicle home for faster response times when they are "on-call." Both the commute home and the return commute to work are normally considered reportable commutes, unless one or both are exempt commutes as described in **Section 2**.

4. REPORTING REQUIREMENTS

4.1 The Department uses the **IRS Commuting Valuation Rule** for reporting vehicle fringe benefits. A reportable commuting trip is normally from work to home and/or from home to work. The value of a reportable commute is \$1.50 one-way or \$3.00 per round trip. If more than one employee commutes in the vehicle, then each employee is in a reportable commuting situation and must report their individual commuting value to be credited as income.

4.2 **Reporting Vehicle Fringe Benefits, Form No. 350-040-03** should be used to record and submit monthly records of commuting trips. Submit the form to the Office of the Comptroller – Payroll Section, MS 42 by the 10th of the month following the commuting trips. The employee's taxable income will be increased by \$1.50 per trip, and the pay will be reduced by the appropriate withholding and medicare taxes.

4.3 Control Employees are not authorized to use the **IRS Commuting Valuation Rule** of \$1.50 per trip for the value of a commuting trip. Control Employees should contact the Office of the Comptroller - Payroll Section to obtain additional information on valuation methods and options for commuting trips.

5. TRAINING

None required.

6. FORMS

Reporting Vehicle Fringe Benefits, Form No. [350-040-03](#)