

## **University Provided Vehicle Reporting and Tax Information**

### **Vehicle Usage Reporting**

Each October, the Tax Department sends out a "Certificate of Usage" form to individuals who receive a University vehicle to collect both business and personal mileage usage from November 1 of the prior year to October 31 of the current year. A sample of the form is attached. If an individual has more than one vehicle during this time frame, each vehicle must be listed separately and the business, personal, and total miles must be recorded for each.

The calculated value of the personal use of a University-provided vehicle is taxable income. The IRS states all use of the vehicle that is not for business-related purposes, other than for infrequent and brief side trips, is considered personal use. The individual who receives a University-provided vehicle is responsible for maintaining a mileage log of its use.

Completed "Certificate of Usage" forms should be sent to the Payroll Department in 207P Craig Hall by the deadline stated in the memo. If no miles are reported, the University is required to report the value as 100% personal use.

### **Vehicle Value Calculation**

The Payroll Tax Department calculates the taxable amount based on the personal miles reported and the Kelley Blue Book fair purchase price found on <http://www.kbb.com/>. Certain vehicle valuations may be provided by our Fleet Services Department. The fair purchase price is then converted to the annual lease value using the Annual Lease Valuation Table in IRS Publication 15B.

### **Tax Withheld and Reporting**

Vehicle personal usage is taxable for federal, Social Security and Medicare taxes. However, the University withholds Social Security and Medicare taxes only; federal income tax is not withheld. Vehicle personal usage is not taxable for Pennsylvania state income, city wage, or school district taxes.

The reportable taxable amount is added to the individual's pay at year end, indicated on their statement as "Pers Car," and identified separately in box 14 as "G" on their W-2.