

2009 PVA SUMMER CONFERENCE

EMBASSY SUITES – COVINGTON, KY

**THE EMPLOYMENT TAX RESPONSIBILITIES  
FOR EMPLOYER PROVIDED VEHICLES  
WORKSHOP – 1:30 P.M. (EST)**

**WEDNESDAY  
JULY 1, 2009**

PVA ADMINISTRATIVE SUPPORT BRANCH  
FRANKFORT, KENTUCKY

## **New Method of Valuation and Reporting Effective January 1st**

When a Governmental employer provides a vehicle for an employee's personal use, the value of that use is generally treated as a taxable fringe benefit. This value of the (PVA Only) use of the vehicle must be reported as wages on Form W-2 and all appropriated taxes (Income and FICA) must be withheld on the value of personal use.

If the vehicle is used for both business and personal purposes, an allocation between the types of use is required which is based on the number of miles driven for the year.

### **RECORD KEEPING**

Effective January 1, 2010, (or the first day of the year) any PVA using and/or assigned the office vehicle(s) for **any** personal use must record the beginning mileage and VIN # of the vehicle(s) of use in a log. On November 30<sup>th</sup> of each year, the ending mileage (total miles used for a calendar) and the personal mileage use must be reported to the PVA Administrative Support Branch. The highest month of use can be calculated in for the month of December or an eleven months average, see example of logs.

The vehicle log should be kept for at least three (3) years and/or for the term of the PVA.

### **DETERMINING THE VALUE OF PERSONAL USE**

FAIR MARKET VALUATION (FMV) **X** PERSONAL USE  
MILES / TOTAL USE MILE = PERSONAL USE VALUE

### **OTHER OFFICE EMPLOYEE PERSONAL USE**

No change in the reporting method, the PVA office will continue to submit an "Employee Fringe Benefit (Vehicle)", form for the deputies each month.