

Year-End Reporting of Taxable Fringe Benefits – C Corps **Action required by November 30, 2018**

Vehicles provided by a company

When a company makes one of its vehicles available to an owner or employee for personal use, the owner or employee is generally required to treat the value of that use as a taxable fringe benefit. The employer/owner must include the value of any non-business use of the vehicle in the individual's wages for income and employment tax purposes. Commuting between home and office is considered personal use.

Both the company and the owner/employees are required to maintain certain information about the vehicle and its use during the year. The owner/employee must report to the company (1) the total number of miles driven on the vehicle each year; (2) the number of business-related miles included in total miles; and (3) the number of personal-use miles. The information the company is required to maintain is summarized on the enclosed form.

To afford time to prepare Forms W-2 that include the taxable fringe benefits, the IRS allows an employer to select any twelve-month period ending between October 31 and December 31 for reporting these benefits, as long as the same beginning and ending dates are used consistently from year to year.

Please prepare one copy of the enclosed form for each owner or employee who is using a company vehicle (even if two employees share one vehicle). Fax, e-mail or mail the completed forms to our office. We will calculate the value associated with the personal use of the vehicle. If you have an outside payroll service provider, we will provide you with the auto fringe benefit along with instructions for reporting the fringe benefit as taxable wages on Form W-2. Otherwise, we will report the values on the Form W-2 that we prepare for you.

If you or your outside payroll service providers have any questions about the IRS procedures for these classes of taxable fringe benefits, we invite your questions by telephone, fax or e-mail. **Please complete the forms and return to us by November 30th** to ensure that we can get back to you with the corresponding numbers and instructions in time for your year-end payroll processing. Thank you.