

## Year End Reporting Business and/or Rental Activities - Schedule C, E & F Sole Proprietors, Owners of Rental Properties or Farming

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### SCHEDULE C:

#### EMPLOYEES (W-2): Use of Vehicles provided by company

**Return by December 12, 2023**

The employer 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 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.

#### OWNERS/SOLE PROPRIETORS: Use of Vehicles owned personally & Medical and Long-term care insurance premiums

**Return with your 2023 Tax Documents**

Complete the enclosed form to report business mileage when using a personal vehicle in a business or rental activity, and to report medical insurance premiums that you or your company paid for yourself, spouse, or family member. Include insurance premium for health, vision, dental, prescriptions, long term care, etc. Medicare premiums deducted from Social Security benefits paid for the owner and his or her spouse can also be included. Under certain circumstances, you may be able to take a (page 1) deduction on your individual income tax return (Form 1040) instead of an itemized deduction (Schedule A).

### SCHEDULE E or F:

#### RENTAL PROPERTY OWNERS: Use of Vehicles owned personally

**Return with your 2023 Tax Documents**

Complete the enclosed form to report business mileage when using a personal vehicle in a business activity or rental activity. Proprietors and partners report their mileage on a calendar-year basis. **If the same vehicle was used for more than one activity (or property) then the mileage must be provided separately for each activity. If two vehicles were used for one or more activities, then the mileage must be reported separately for each vehicle. Prepare a separate form for each business activity, a separate form for each rental activity, and a separate form for each vehicle.** The completed form can be submitted separately or submitted with the tax organizer. The IRS requires that mileage logs be kept that include the date of the trip, the destination name, the purpose of the trip and an explanation of how it relates to the business/rental activity, the exact mileage for each qualifying trip, and the total miles traveled during the year.