

**PROCEDURES FOR
TRACKING/REPORTING PERSONAL USE OF STATE-OWNED VEHICLE,
INCLUDING COMMUTING MILES**

In accordance with Administrative Bulletin 2.3, Appendix A, personal use of a State-owned vehicle (including commuting) must be reported as a taxable fringe benefit. FICA taxes will be withheld from pay during one of the last two pay periods of each calendar year.

DEPARTMENT RESPONSIBILITIES

1. BGS Program Directors/Managers

- a. Provide to affected employees:
 - i. A copy of Bulletin 2.3 and Appendix A
 - ii. Copy of BGS internal reporting procedure
 - iii. Require employee to submit form VTHR_PUSV3 to Fleet Management Services (FMS) at fleet.services@vermont.gov
- b. Inform each affected employee:
 - i. Personal use (including commuting) must be reported as a taxable fringe benefit
 - ii. FICA taxes will be withheld from pay during one of the last two pay periods of the calendar year
- c. Ensure monthly reporting is sent to Fleet Management Services at fleet.services@vermont.gov.
- d. Ensure terminated employees submit their commuting report prior to last day of employment

2. Fleet Management Services

- a. Collect monthly reports submitted by employees
- b. Submit Terminated Employee Reports
 - i. Reports due upon receipt from employee
- c. Submit End of Year Reports
 - i. Reports due by November 25 of each year
 - ii. Reporting Period
 1. First year: February 7, 2016 thru October 31, 2016
 2. Subsequent Years: November 1 thru October 31.
- iii. Online reporting forms-- Access through Administrative Bulletin 2.3 at <http://aoa.vermont.gov/bulletins> (see Forms)
 1. **Form VTHR_PUSV1**
 2. **Form VTHR_PUSV2**
- iv. To VTHR Operations Division
 1. Email: Vision-payroll@vermont.gov
 2. Fax: 802-828-2435
 3. Mail: VTHR Operations – Employee & Payroll Services; 120 State Street, Montpelier, VT 05620-2504

EMPLOYEE RESPONSIBILITIES

1. Complete and Sign form “Personal Use of State Vehicles” (**Form VTHR_PUSV3**) acknowledging (1) the employee’s responsibilities and (2) that the employee received a copy of:
 - a. Bulletin 2.3 and Appendix
[http://aoa.vermont.gov/sites/aoa/files/Bulletins/Bulletin%202.3 AppendixA 2-21-2016.pdf](http://aoa.vermont.gov/sites/aoa/files/Bulletins/Bulletin%202.3%20AppendixA%202-21-2016.pdf)
 - b. A copy of BGS internal reporting procedure -- available at this link:
<http://bgs.vermont.gov/sites/bgs/files/BGS%20Internal%20Reporting%20Procedure%20-%20Commuting%202016-06-10.pdf>
2. Submit (scanned copy) of completed and signed form -- “Personal Use of State Vehicles” (**Form VTHR_PUSV3**) -- to Fleet Management Services (FMS) at fleet.services@vermont.gov.
3. Employees must track commuting mileage, through use of a vehicle log book, and report to the BGS/FMS program the total number of one-way commutations.
 - a. To track all travel mileage in State vehicle -- utilize the trip log BGS/FMS available at this link:
<http://bgs.vermont.gov/sites/bgs/files/State%20Vehicle%20%26%20Commuting%20Trip%20Log%202016-06-10.pdf>
 - b. Enter data on electronic spreadsheet -- available at this link:
<http://bgs.vermont.gov/sites/bgs/files/State%20Vehicle%20%26%20Commuting%20Trip%20Log%202016-06-10.xls>
4. Submit, by the 10th of each month, for the preceding month, to FMS at fleet.services@vermont.gov
 - a. The completed electronic spreadsheet, for the previous month
5. In the event of employment termination, submit the information for the preceding month prior to the last day of employment.

FIRST YEAR - NOTE: To calculate the mileage from February 7, 2016, through May of 2016, BGS employees are expected to consult their calendars for that time period and, to the best of their knowledge, provide their commuting information.

FORMS: All forms are available on the Fleet Management Services website at the following link:
http://bgs.vermont.gov/business_services/fleet/

DOCUMENT LINKS:

- A. <http://aoa.vermont.gov/bulletins>
 1. Administrative Bulletin 2.3
 2. Appendix A – Taxable Fringe Benefit – Personal Use of State Vehicles
 3. Form: “Personal Use of State Vehicles” - to be completed by Employee -- See Forms
 - a. See form PUSVE_EE Release
- B. http://bgs.vermont.gov/business_services/fleet/
 1. Trip Log
 2. BGS Internal Reporting Procedure

ATTACHMENT: Excerpt from Administrative Bulletin 2.3; Section 6

Excerpt from Administrative Bulletin 2.3

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SECTION 6 -- COMMUTING USE OF VEHICLES

Section 6-A -- IRS Regulation for Commuting Use

Employees' use of an employer-provided vehicle for commuting is considered "personal use" and is therefore a taxable fringe benefit income. Federal law requires employers, including the State of Vermont, to report all fringe benefit income to the IRS and the employee.

Employer-provided vehicles include state-owned or leased vehicles or those provided to state employees by a contractor in connection with a state contract. The IRS provides exemptions for use of employer-provided vehicles it defines as "qualified non-personal use vehicles." Two specific exemptions include:

- A) Law enforcement and fire vehicles; and*
- B) Vehicles unsuited for personal use. (Pick-up trucks and vans are NOT exempt).*

To calculate the value of the use of the employer-provided vehicle, the State of Vermont will determine the amount to be reported based on the then-current IRS publication.

Section 6-B -- Taxable Fringe Benefit Policy

*Commuting use of state-owned vehicles will be reported as a taxable fringe benefit income through an employee's payroll and is subject to federal FICA taxes (Social Security taxes and Medicare taxes). The taxable income and FICA taxes deducted will be reported on the employee's annual Form W-2. The detail Policy and Procedures specific to Taxable Fringe Benefits for Personal Use of State vehicles is included in this Bulletin as **Appendix A**.*

Section 6-C -- Employee Commuting with State Owned Vehicles

*State employees may take home a state-owned vehicle fewer than 12 times per year, with the prior approval of their appointing authority. However, taking a state vehicle home in excess of 12 times per year requires the written approval of the employee's appointing authority and the Secretary of Administration. Requests must be submitted on the "**Employee Request to Take State Vehicle Home**" form, available at: http://bgs.vermont.gov/business_services/fleet/forms.*