OREGON ACCOUNTING MANUAL		Number 50.30.00.PR
Oregon Department of Administrative Services State Controller's Division	**Procedure**	Effective Date November 1, 2002
Chapter	**Tax Issues**	.1 OF .2
Part	**Fringe Benefits – Vehicles**	
Section		Approval Signature on file at SCD

Authority **ORS 283.395**
OAR 125-155
IRS Regulations §§1.61-21, 1.162-2(d)
IRS Publication 15-B

Determination of Taxable Amount

.101 If an assigned vehicle garaged at home is used to commute to the employee's official duty station, that use of the vehicle becomes a taxable fringe benefit to the employee, and the value must be reported as taxable income on the employee's W-2 form.

.102 Commuting to the official duty station (personal use) in a state-owned vehicle garaged at home may be valued using one of two valuation rules as defined by the IRS.

Commuting Valuation Rule. The value of commuting can be valued at $1.50 each one-way trip if:

a. You require the employee to commute in this vehicle, and

b. The employee is not an elected official, a director, or an employee who earns more than $160,000 annually.

The employee is required to maintain a monthly or quarterly log of commutes to work and return. The employee must provide that signed and dated log to the agency at the end of each month or quarter. The calculation of the imputed value of the vehicle use is calculated by multiplying the number of one-way commutes by $1.50.

Cents-Per-Mile Rule may be used if:

a. The vehicle is driven at least 10,000 miles per year, and

b. The fair market value of the vehicle doesn't exceed $15,400 (revised annually), and

c. 50% of the miles driven in the vehicle must be for official state business.

The employee is required to maintain a monthly or quarterly log of the miles per each one-way or round-trip commute and provide that signed and dated log to the agency at the end of the month or quarter. The calculation of the imputed value of the vehicle use is calculated by multiplying the number of miles by the prevailing business mileage rate. The mileage rate for 2003 is 36 cents per mile. That rate may be reduced by no more than 5.5 cents per mile if the state does not provide the fuel.

.103 The agency is required to notify each employee who garages a state vehicle at home that there is a taxable value associated with each commute to the official duty station and the method that will be used to value the commute. The agency is required to define a record-keeping methodology and notify the employee of the requirements.

Reporting Procedure

.104 These fringe benefits will be reported through the payroll system either monthly or quarterly. Reporting for the months of November and December can be deferred to the next tax year; that is, tax year reporting can be for benefits received for the period November 1 through October 31 of the next year.