



NORTH CAROLINA

*Be an original.*

# Take Home Vehicle Policy

January 2023

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**Attachment 1 – Application for County Take Home Vehicle Use**

**Rowan County Take-Home Vehicle Policy****A. Process Overview**

The following take-home vehicle procedures are written to support the efficient management of Rowan County's vehicle fleet, and to provide clear standards for appropriate use of the County's take-home vehicles. County accounting policies and procedures related to take-home vehicles are designed to ensure accountability, compliance with Internal Revenue Service (IRS) guidelines, and proper authorization and approval of related transactions. These procedures are subject to changes imposed by the IRS.

<b>Reference</b>	<b>Subject</b>
N.C.G.S. 159-26	Maintenance of Accounting records
IRS Publication 15-B	Commuting Valuation Rule
IRS Bulletin 1.274-5	Substantiation Requirements

**B. Guidelines for Take Home Vehicle Use**

The following guidelines apply specifically to take home vehicle use:

1. The following departments are approved for take home vehicle use: Animal Services, Building Inspections, Planning and Development, Environmental Services, Facilities, Parks and Recreation and other employees who are subject to frequent or emergency response after normal working hours, whose job requirements involve working from the vehicle or whose vehicle is outfitted with equipment for responding to emergency calls. Non-emergency Sheriff and Emergency Services employees will be taxed for fringe benefit if provide a take home vehicle.
2. Personal use of these vehicles is not allowed unless defined as small, minimal use. For the purpose of this policy, daily and call-back commutes to and from the County Authorized Driver's work site, as well as normal meal periods within on-duty hours, are all considered official use. The regular transport of non-employees is prohibited on the daily commute.
3. Any County employee operating a County-owned vehicle shall abide by all provisions of Personnel Policy 9.6 Operation of County Vehicles and Personnel Policy 9.5 Care of Supplies, Equipment and Property, including but not limited to the immediate reporting of any accidents, regardless of severity, to Human Resources.
4. Any County employee operating a County-owned vehicle shall maintain proper licensure to operate the vehicle in accordance with Rowan County Policy 3.2 Minimum Education, Experience, and Required Credentials. If the employee's license is suspended or revoked, the employee shall immediately cease use of the vehicle and notify Human Resources.
5. County take home vehicles should not travel more than 50 miles from the employee's duty station for commuting purposes unless pre-approved by the County Manager.

**C. Application for Take-Home Vehicle Use**

1. County Authorized Drivers must complete and submit an *Application for County Vehicle Take-Home Use* (see Attachment 1) to his/her department head (or the Department head's designee).
2. The department head, or his/her designee, is responsible for reviewing the application before approving it and sending it to the Finance Department.
3. The application requesting take home vehicle use will be reviewed by both the Finance Director and County Manager for approval.

**D. IRS Regulation of Take-Home Vehicles**

1. Personal use of an employer-provided vehicle is defined by the IRS as a taxable non-cash fringe benefit. These regulations apply to employees who drive County vehicles to and from home. Those driving a county vehicle that is not exempt from the take-home rule will be subject to applicable taxes.
2. The County will comply with guidelines from IRS publication 15B to determine the value (if any) of the commuting use of a vehicle provided to an employee during the commute certification benefit year January 1-December 31.
3. Annually, during the budget process, department heads will evaluate the benefit of take-home vehicles. The results of this evaluation should be submitted along with the department's budget request. Included in the annual capital assets inventory, a list including the vehicle number/make/model/location/assigned employee name/number/job duty must be submitted to the Finance department for review and distribution to County management.

**E. Taxable Benefit Determination****1. Qualification as Taxable Fringe Benefit**

In order to qualify as a taxable fringe benefit, per IRS guidelines, the following IRS Publication 15B standards must be met:

- a. The vehicle is provided to the employee for use in the trade or business, and for bona fide non-compensatory reasons, the employee is required to commute in the vehicle.
- b. A written policy establishes the employee is not permitted to use the vehicle for personal purposes other than for commuting, or de minimis personal use (such as a brief personal errand between the place of work and the employee's place of residence).

- c. If the vehicle is an automobile, (any four-wheeled vehicle such as a car, pickup truck, or van), then the employee using it for commuting purposes is not a "control employee". Control employees for government employers are defined as either (1) a government employee whose compensation is equal to or exceeds Federal Government Executive Level V (see OPM website at <https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2022/EX.pdf> or (2) an elected official.
- d. All use of a qualified non-personal-use vehicle is a working condition benefit to the employee. A qualified non-personal-use vehicle is any vehicle the employee is not likely to use more than minimally for personal purposes because of its design. Qualified non-personal-use vehicles general include the following:
  - Clearly marked, through painted insignias or words (police, fire and public safety vehicles)
  - Unmarked vehicles used by law enforcement officers if the use is officially authorized
  - An ambulance or hearse used for its specific purpose
  - Any vehicles designed to carry cargo with a loaded gross weight over 14,000 pounds
  - Delivery trucks with seating for the driver only, or the driver plus a folding jump seat
  - A passenger bus with a capacity of at least 20 passengers, used for its specific purpose
  - School buses
  - Tractors and other special purpose farm vehicles
  - Bucket trucks, cement mixers, combines, cranes and derricks, dump trucks (including garbage trucks), flatbed trucks, forklifts, qualified moving vans, qualified specialized utility repair trucks, and refrigerated trucks

## 2. Calculating Taxable Fringe Benefit

- a. The County values commute usage per IRS regulations at \$3.00 per round trip for commuters and passengers in each vehicle. Regulations also allow that any payment by the employee to the County for such use may be deducted from the taxable benefit for commuting usage charge. All applicable payroll taxes will be withheld on the taxable amount.
- b. Each employee using a take-home vehicle, or riding in one for commuting purposes, will be taxed based on the payroll cycle for the actual number of commuting days. Finance and payroll staff requests this information each payroll cycle...

- c. To calculate and report the taxable benefit amount:
- Multiply the number of certified commuting days during the commute certification period by \$3.00 per day to determine the taxable fringe benefit.
  - The taxable fringe benefit will be taxed for the commute certificate period on the employee's regular biweekly payroll.
  - Any full days taken off by an employee are not considered certified commuting days for computing the taxable fringe benefit.
  - The taxable fringe benefit will be listed on the employee's W-2.

Attachment 1  
Application for County Vehicle Take-Home Use

Employee Name:	
Employee Position:	
Employee Number:	

**Vehicle Information:**

Make/Model:	
Vin Number:	
Year:	
Asset/Unit Number:	
Justification:	

The undersigned hereby acknowledges, understands, and agrees to abide by this policy.

Employee Signature	
Department Director Name:	
Department Director Signature:	

☐ Approved☐ Denied

Finance Director Signature:	
County Manager Signature:	