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Susanne R. Young, Secretary

TO: Agency and Department Heads
CC: Business Managers
FROM: Susanne R. Young, Secretary of Administration
DATE: October 29, 2018
SUBJECT: State-Owned Vehicles – Take Home Approval and Reporting

A handwritten signature in blue ink, appearing to be "SR Young", written over the "FROM:" line of the email header.

Commuting Use of State Vehicles

The Internal Revenue Service (IRS) considers commuting in a State-owned vehicle in excess of 12 times a year to be a taxable fringe benefit to the employee, which must be reported on the employee's W-2 and is subject to federal FICA taxes. This is true regardless of whether the employer directs the employee to take the vehicle home. Administrative Bulletin 2.3, Appendix A: Taxable Fringe Benefit – Personal Use of State Vehicles establishes the process for departments to meet this requirement, available at [https://aoa.vermont.gov/sites/aoa/files/Bulletins/Bulletin%202.3 AppendixA 8-07-2016.Rev2 .pdf](https://aoa.vermont.gov/sites/aoa/files/Bulletins/Bulletin%202.3%20AppendixA%208-07-2016.Rev2.pdf).

State employees may take home a State-owned vehicle 12 or fewer times a year without tax consequences. The IRS also exempts qualified non-personal use vehicles and home-based employees from taxation. To determine if a State vehicle qualifies for the exemption, please refer to Administrative Bulletin 2.3, Appendix A, Part II, available at https://aoa.vermont.gov/sites/aoa/files/Bulletins/Part%20II%20Qualified%20Non-Pers%20Use_AppendixA.pdf.

Take Home Vehicle Approvals

Pursuant to Administrative Bulletin 2.3, State employees may take home a State-owned vehicle 12 or fewer 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.

This applies to all State employees who meet the approval requirement threshold, including those who are exempt from IRS taxable fringe benefit reporting requirements, in order to provide an accurate inventory of the State's vehicles that are taken home and their locations. When an employee is expected to meet or exceed the 12 times per year threshold, they or their supervisor must:

1. Complete the "Employee Request to Take State Vehicle Home" form:
<http://bgs.vermont.gov/sites/bgs/files/Take%20Home%20Vehicle%20Form%20161117.pdf>
2. Submit the form to their appointing authority for signature approval.

3. Email the completed form to Fleet Management Services (FMS) at fleet.services@vermont.gov; FMS will forward to the Secretary of Administration for consideration.

Reporting Requirements

Each department must provide a current list of employees approved to take a State vehicle home for more than 12 days a year, to the Secretary of Administration, through Fleet Management Services. Please make sure this requirement is being met by your agency and departments. Twice annually, a current list should be sent to fleet.services@vermont.gov on or before June 30th and December 31st.

Required annually, departments need to report the taxable fringe benefit value of each employee's personal use of State vehicles to the Commissioner of the Department of Human Resources through their Payroll Division. The current reporting period is November 1, 2017 through October 31, 2018. Reports must be submitted to VTHR by November 25, 2018.

More information about this reporting requirement is available in Administrative Bulletin 2.3, Appendix A: [https://aoa.vermont.gov/sites/aoa/files/Bulletins/Bulletin%202.3 AppendixA 8-07-2016.Rev2 .pdf](https://aoa.vermont.gov/sites/aoa/files/Bulletins/Bulletin%202.3%20AppendixA%208-07-2016.Rev2.pdf). For questions, please contact Melissa Butryman at melissa.butryman@vermont.gov or the Payroll Division at Sov.Payroll@vermont.gov or by calling 802-828-6700 and choosing payroll Option 1 followed by payroll Option 2 .

For questions regarding State fleet vehicles and approval requirements for taking home State vehicles, please contact Harmony Wilder, BGS Fleet Manager, at harmony.wilder@vermont.gov or at 802-828-3821.