

NOTICE OF WITHHOLDING
PERSONAL USE OF STATE OWNED VEHICLES
(COMPLETION BY EMPLOYEES THAT HAVE APPROVAL TO COMMUTE IN
STATE OWNED VEHICLES ONLY)

The President has signed into law a bill that repeals the contemporaneous record keeping requirement for employer-provided vehicles, mandated by the Tax Reform Act of 1984. However, the law does not repeal the requirement that as of January 1, 1985, employees are to be taxed on the value of their personal use of employer-provided vehicles unless they fall into an exempted category.

The only vehicles in this exempted category, as regards the Arkansas Forestry Commission, are fire plow transport trucks and tractors.

Any employee who uses a state passenger vehicle (auto, pick-up, van) for commuting purposes from their home to and from their established work station is considered to have received the monetary value of that transportation as income. This income is considered taxable for income and Social Security purposes. For withholding purposes, the Forestry Commission has chosen the following procedure applicable to those affected employees.

- A. Income Taxes: The Forestry Commission will not withhold income taxes on the imputed value of an employee's personal use of an employer-provided vehicle. An employee may request additional withholding for this purpose if desired, however, it will not be automatic.
- B. Social Security Taxes: The Forestry Commission will withhold Social Security taxes on the imputed value of an employee's personal use of an employer-provided vehicle. This withholding, for the entire year or time of employment, will be deducted on the last pay check issued in the calendar year or the last pay check issued on termination of employment, as the case may be.
- C. Imputed Value: For reporting purposes, any eligible employee who uses a State owned vehicle for personal use (commuting purposes only) shall be credited as receiving a three dollar (\$3.00) per work day value for the use of this vehicle. This shall be retroactive to January 1, 1985, as applicable and this value will be reported on an employee W-2 Form as gross income.
- D. Eligible Employee: An eligible employee shall be considered an employee who normally has and reports to a County Work Center or District Office on a regular basis for daily work and who has been provided a State owned vehicle for commuting to and from his/her home to this work station.

- E. Reporting: Eligible employees shall be required to maintain a daily record of commuting usage of a State vehicle for days worked. This usage will be considered applicable for all work days, Monday through Friday, except for holidays or days the employee is absent from work while on any approved leave.

CERTIFICATION OF RECEIPT

I certify that I have been furnished a copy of the “Notice of Withholding – Personal Use of State Owned Vehicle”; that I have read this “Notice” and that I have received a full explanation and fully understand the provisions contained therein.

Printed or Typed Name

Signature

Date