



Peter Franchot
Comptroller

Dhiren V. Shah
Director
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TO: All State Agencies

FROM: Dhiren V. Shah, Director
Central Payroll Bureau

DATE: December 20, 2022

SUBJECT: Tax Reporting on Personal Use of State Motor Vehicles

Employees who commute (i.e., travel between a work location and home) in a State vehicle are required by IRS regulations to report such vehicle use as part of their gross income. This requirement applies to employees who pay the State commute charge as well as those whom the State exempts from paying commute charges.

For reporting year **2022**, the reportable period covers November 1, 2021 through October 31, 2022. As in prior years, the Department of Budget and Management Fleet Management will submit authorized forms to Central Payroll Bureau for affected employees. These forms should have been received by CPB before pay period ending December 13, 2022. **Receipt of authorized Vehicle Fringe Calculation & Reporting Forms after December 13, 2022 will be processed as W-2 Corrections and may require the employee to file an amended tax return.**

This fringe will display on employees' paystub as "AUTO FR VAL". The value of the fringe benefit will be added to employees' Federal, State, Social Security, and Medicare taxable wages. Employees will be charged additional Social Security and Medicare taxes (FICA) where applicable. These taxes will be deducted from employees' current pay. On the W-2 Wage and Tax Statement, it will be included with earnings in Boxes 1, 3, 5, and 16. Box 14 will display "OTHER FRINGE" and is for informational purposes.

Please direct all questions regarding the Vehicle Fringe Benefit Reporting to the Department of Budget and Management Fleet Management (410) 260-7337.

Please share this memorandum with all employees who are assigned a state vehicle.