

Personal Use of an IU Vehicle

New Process to report miles in Chrome River

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in Information Technology

Is Personal use taxable?

- ▶ Yes, taxable to the employee
- ▶ Considered reportable income per the IRS
- ▶ Reported on your W-2 at year end

Business Use of a Vehicle – Examples

Traveling between the employee's main or regular place of work and another regular place of work.

Traveling between the employee's main or regular place of work and a temporary work location.

Traveling between the employee's home and a temporary work location.

Personal use of a University vehicle is any use that is not for official University business, see below for examples:

Personal Use of a Vehicle – Examples

Using the vehicle to run a personal errand from his/her work location.

Using the vehicle on weekends or days off for other than University business.

Commuting, i.e., traveling between the employee's home and his/her main or regular place(s) of work.

The University reports as taxable wages the value of the personal use of a University vehicle to the IRS, the state and the employee on Form W-2, Wage and Tax Statement. The University must withhold FICA tax (i.e., 1.45% Medicare tax plus 6.2% OASDI tax, if applicable) on this additional compensation from the employee's regular pay during the year.

Old Process:

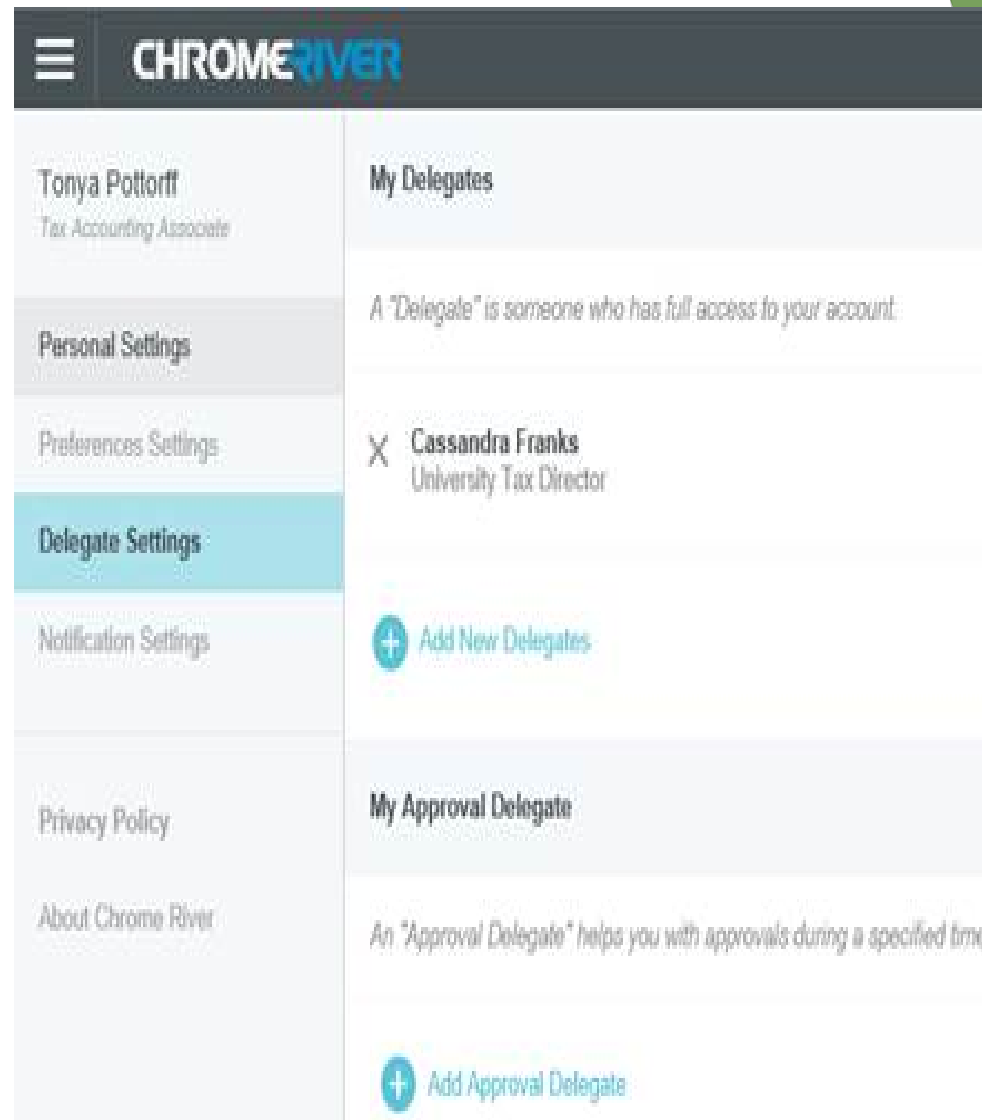
- ▶ Lots of Communication
 - ▶ Departments, FO, EE
- ▶ Large lists from Departments
 - ▶ Maintained with constant updates
- ▶ Signatures from all Fiscal Officers
- ▶ EE's submit paper forms for the year
- ▶ Upload all information into Payroll on Nov paycheck

New Process:

- ▶ Minimal Communication
 - ▶ after this year [2018]
- ▶ Small lists of EE's with IU Vehicle
- ▶ Delegate/EE entering into Chrome River monthly
 - ▶ By the 15th of the following month
- ▶ Will see on next monthly paycheck

Set-up your Delegate

- ▶ Log into Chrome River
- ▶ Set-up your delegate
 - ▶ Employee can set-up an individual delegate
 - ▶ Click “your name”, Settings, Delegate Settings, Add New Delegates
- ▶ One delegate for a group of employee’s
 - ▶ Contact travelbl@Indiana.edu



You or your delegate must enter mileage into Chrome River on a monthly basis

Resources

- ▶ Tax Webpage
 - ▶ <https://fms.iu.edu/tax/employees/fringe-benefits/personal-use-vehicle/>
- ▶ Tax Standard Operating Procedure
 - ▶ https://fms.iu.edu/index.php/download_file/1366/
- ▶ University Tax Services
 - ▶ taxpayer@iu.edu