



TAX INFORMATION MEMORANDUM

16 Dec 2013

04-13

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Subj: Taxation of Employer-Provided Home-to-Work Transportation & Certification for Senior DoD Members.

1. Memo from DoD Armed Forces Tax Council on Home-to-Work Transportation & Certification for Senior DoD Members.

There are certain income tax implications of employer-provided home-to-work transportation when DoD dedicates a vehicle for the exclusive use of a single employee member. Certain high-ranking officials may be provided home-to-work transportation for security reasons. Please note that this is not to be confused with the DoD vehicles from a motor pool that are available for use by other employees.

Lt Col Svendsen, Office of the Under Secretary of Defense (P&R) provided the attached information paper which discusses the taxable, non-deductible nature of home-to-work transportation when treated as taxable wages or salary.

The substantive changes from last year include: (1) the standard mileage rate is 56.5 cents for the entire 2013 calendar year up from 55.5 cents for 2012; and (2) the passenger annual lease value for passenger vehicles first placed into service in 2013 is \$16,000, up from the \$15,900 auto value 2012. Please see footnotes 6 and 10 in the attached information paper for more detail. There were no other substantive changes.

Staff Judge Advocates or assistants to senior DoD members who are provided home-to-work transportation are required to: (1) certify that these fringe benefits were authorized, (2) certify the value of these benefits, and (3) submit the appropriate taxable gross income amounts to the servicing DFAS central site at least once per year. Please see the attached memo for specific guidance.

Also attached is a sample home-to-work memo to document these fringe benefits for DFAS. Memos should be sent to Ms. Charri Cephus-Long at DFAS. She can be reached at (216) 204-4355 and via email at charri.cephus@dfas.mil.

For more information on taxable fringe benefits, please see Publication 15-B, Employers Tax Guide to Fringe Benefits at: <http://www.irs.gov/pub/irs-pdf/p15b.pdf>.

2. Further Information.

Please contact Code 16 for any questions or comments regarding this TIM. Code 16 contact information is located in the sidebar.