INDIANA
WORKFORCE
DEVELOPMENT
AND ITS WorkOne CENTERS

TO: Indiana Department of Workforce Development Selected Supervisors and Employees

FROM: Teresa L. Voors
Commissioner, Indiana Department of Workforce Development

DATE: May 1, 2009

SUBJECT: DWD Policy 2008-38
Use of Assigned State Vehicles

Purpose
To provide Indiana Department of Workforce Development's (DWD) policy regarding use of assigned state vehicles and the reporting procedures for those DWD staff that are assigned an agency vehicle

Rescission
DWD Policy 2006-18, dated March 15, 2007

Content
Effective March 19, 2002, the Indiana Department of Workforce Development adopted a policy regarding the use of assigned state vehicles for "Commuting Use Only." Except for minimal incidental use, such as stopping for lunch while working or a stop for a personal errand on the way home, the vehicle is not to be used for personal use other than commuting to and from work.

The Internal Revenue Service (IRS) requires payroll tax withholding and compensation reporting (W-2) for employees using assigned state vehicles for non-business or commuting purposes. The cost is $1.50 for each one-way commuting trip. This is considered an employee benefit, and the employee is taxed on the amount of the benefit (number of one-way trips x $1.50). An increase is made to the gross pay, and a corresponding deduction is made in the same amount. This increases taxable income, but does not increase the employee's pay. Taxes are deducted for the fringe benefit provided.

The following are clarifications of business and non-business commuting trips:

- Each trip the employee makes from either his/her home to his/her assigned workstation or from the office to his/her home is considered a non-business trip, and there is a charge of $1.50 per trip.
- When an employee travels directly from his/her home to the first business appointment of the day (does **not** go to the office), there is no charge for the trip. This would be considered a business trip.
- At the end of the business day, if the employee returns home directly from his/her last business appointment (does **not** go to the office), there is no charge for the trip. Again, this would be a business trip.
- If the employee travels from his/her home to the office and returns home from the office, there is a charge of $3.00 for the day (two one-way trips). These trips would be non-business trips as the employee is commuting between his/her residence and his/her assigned workstation.

Any use of a state vehicle for personal or commuting use must be approved by the Indiana Department of Workforce Development's Commissioner or a Deputy Commissioner. It is the responsibility of the affected employee to report the number of one-way commutes between his/her home and assigned workstation for each payroll period by completing State Form 49632, *Employee Statement of Employer Provided Vehicle Use.* The employee must complete Sections 1 and 2. The total number of trips for the payroll period is entered in Section 2. The form is signed by the employee and submitted to his/her immediate supervisor for review. After review, the form is submitted to the Payroll section.

If you have questions regarding this policy, please contact Management Services at (317) 232-5627. If you have questions regarding payroll, please contact the Payroll section at (317) 232-7737.

Review Date
May 1, 2011

Ownership
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Effective Date
Immediately

Action
Supervisors will insure affected staff that use a DWD assigned agency vehicle are made aware of this policy and procedures.