Date: August 1, 2011

To: Employees with Company Take-home Vehicles
From: Dewey V. Cave, Executive Director

SUBJECT: Use of company vehicles

The Mid-Region Council of Governments (MRCOG) has issued you a company vehicle because your position requires a vehicle to perform your job. According to Internal Revenue Service Publication 15-B, any personal use of a company car is considered a fringe benefit and is taxable income. MRCOG is in the process of implementing procedures to include the personal use of your company vehicle on your pay stubs so that the taxes on your fringe income are withheld and remitted to the appropriate taxing authorities.

The amount that is added to your pay stub depends upon how much you use the vehicle for personal use. If your use is strictly to commute, then you qualify to use what the IRS terms the "Commuting Rule". Your taxable income will be increased by $3 per working day which totals $747 per year. Therefore, we will add $28.73 to your taxable income each pay period. However, if your use is more than just commuting, you are not eligible to use the Commuting Rule, and your taxable income will be calculated using the "Annual Lease Value" method. The amount that is added to your taxable income depends upon the fair market value of the vehicle you use. If you determine you do not qualify for the Commuting Rule, Finance will calculate the amount that needs to be added to your taxable income.

If you wish to use the Commuting Rule, please sign the form attached and return to Finance. If you do not qualify to use the Commuting Rule, please see Finance.

Should you have any questions or need additional information, please contact Amy Myer, Finance Manager, at (505) 724-3614.
I certify that the personal use of the MRCOG vehicle is primarily to commute between work and home. Any other personal use is infrequent. I understand that the amount of fringe benefit that will be added to my taxable income to each paycheck totals $28.73.

__________________________________________  _________________________
Employee                                        Date