

**USE OF BOARD FURNISHED  
VEHICLES**

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*Policy Number: 6350*

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*Rescinds Policy Number:*

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The use of an employer-owned vehicle constitutes a fringe benefit for state and federal tax purposes. Regular commuting home-to-work mileage must be accurately reported to the Internal Revenue Service as fringe benefit income.

Employees who are furnished a Board owned or Board leased vehicle may use the vehicle to commute to and from work. Personal use, other than commuting, is restricted to incidental stops for personal errands between the place of business and the employee's residence.

The employee's taxable income includes \$1.50 multiplied by the number of one-way trips during the calendar year. This amount compensates for the value of the vehicle, maintenance, fuel, etc. If more than 1 employee commutes in the vehicle, the amount includable in the income of each employee is \$1.50 per one-way commute. The \$3.00 per day charge satisfies the Internal Revenue Service (IRS) requirements; no additional attributed income is added to the employee's gross income for taxation purposes.

This regulation does not establish an income tax withholding requirement for affected employees. However, Social Security and the Medicare portion of Social Security, as appropriate, will be withheld at the end of the year.

Legal Reference: Internal Revenue Service Publication 15-B (12/2005), Employer's Tax Guide to Fringe Benefits  
G.S. 14-247, 14-251