

SFC CLERK RECORDED 06/26/2007

SANTA FE COUNTY
RESOLUTION NO. 2007-100

**A RESOLUTION FOR ESTABLISHING AND IMPLEMENTING
A TAXABLE FRINGE BENEFITS POLICY**

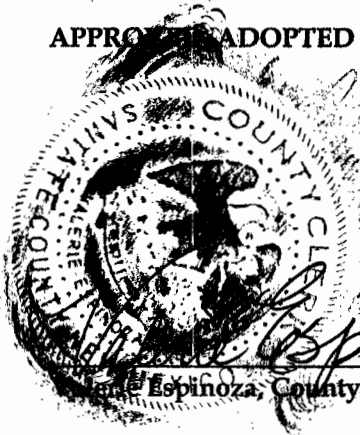
WHEREAS, The Santa Fe County Finance Department is requesting approval to implement a policy & procedure regarding taxable fringe benefits for County employees.

WHEREAS, the attached policy details the statutory authority established by the Internal Revenue Code and all procedures necessary to implement the regulations regarding taxable fringe benefits.

WHEREAS, the requested policy shall take effect as of July 1, 2007 and affected employees will have taxable fringe benefits included in their paychecks as of the effective date.

NOW THEREFORE BE IT RESOLVED by the Board of County Commissioners of Santa Fe County that this Resolution to approve and implement the Taxable Fringe Benefits Policy, is hereby adopted.

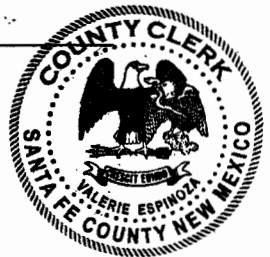
APPROVED, ADOPTED AND PASSED this 26th day of June 2007.



Valerie Espinoza
Valerie Espinoza, County Clerk

BOARD OF COUNTY COMMISSIONERS

Virginia Vigil
Virginia Vigil, Chairman



Approved As To Form

Stephen C. Ross
Stephen C. Ross, County Attorney

Finance Department Approval

Teresa C. Martinez
Teresa C. Martinez, Finance Director

COUNTY OF SANTA FE)
STATE OF NEW MEXICO) ss BCC RESOLUTIONS
PAGES: 16

I Hereby Certify That This Instrument Was Filed for Record On The 26TH Day Of June, A.D., 2007 at 16:28 And Was Duly Recorded as Instrument # 1489321 Of The Records Of Santa Fe County

Deputy *Marcella* Witness My Hand And Seal Of Office Valerie Espinoza County Clerk, Santa Fe, NM

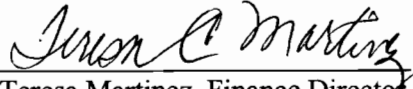
FINANCE DEPARTMENT
ALL DEPARTMENTS

PROCEDURE NO.: Resolution No: 2007 - COUNTY WIDE

TITLE: TAXABLE FRINGE BENEFITS

EFFECTIVE DATE: July 1, 2007

APPROVED BY:


Teresa Martinez, Finance Director

I. PURPOSE

To provide procedures for accounting and reporting of taxable fringe benefits provided to Santa Fe County elected officials and employees in accordance with the Internal Revenue Code (IRC) and the Code of Federal Regulations (CFR). Statutory references are listed below:

- A. United States Code Title 26, Subtitle A, Chapter 1 – Internal Revenue Code, Normal Taxes and Surtaxes, Computing of Taxable Income.
- B. United States Code Title 26, Subtitle C, Chapter 24 – Internal Revenue Code, Employment Taxes, Collection of Income Tax at Source on Wages.
- C. 26 CFR § 1.274-5T – Substantiation Requirements.
- D. 26 CFR § 1.274-6T – Substantiation with respect to certain types of listed property for taxable years beginning after 1985.
- E. 26 CFR § 1.132-5 – Working Condition Fringe Benefits.
- F. 26 CFR § 1.162-2 – Traveling Expenses.
- G. 26 CFR § 1.162-17 – Reporting and substantiation of certain business expenses of employees.
- H. 26 CFR § 1.61-21 – Taxation of Fringe Benefits.
- I. 26 CFR § 1.62-2 – Reimbursements and other Expense Allowance Arrangements.

II. SCOPE

This procedure applies to all Santa Fe County elected officials and employees who receive fringe benefits that are or may be taxable under the Internal Revenue Code and any elected official or employee who may be responsible for budgeting, approving, tracking, reporting or accounting for taxable fringe benefits.

III. DEFINITIONS

For purposes of this policy the following definitions apply:

Code of Federal Regulations – the codification of general and permanent rules and regulations published by executive departments and agencies of the Federal government.

Fringe Benefit – a form of pay, in addition to wages, for the performance of services provided.

Internal Revenue Code – the main body of Federal (domestic) tax law.

Internal Revenue Service – the agency of the Federal government responsible for administering and enforcing the Federal (domestic) tax law.

Taxable Fringe Benefits – any fringe benefit that is not specifically excluded from taxation by the Internal Revenue Code.

Taxable Fringe Benefits Employee – the employee in the Finance Department designated as the Taxable Fringe Benefits Liaison to employees of the County.

Taxable Income – the portion of a taxable entity's (individual, corporation, etc.) income which is subject to taxation under Federal and/or State tax law.

IV. GENERAL

- A. Each person employed by the County of Santa Fe receives various fringe benefits as part of her/his overall compensation. In general, the fringe benefits that are currently provided by Santa Fe County to its employees are excluded from the employee's taxable income. However, there are some fringe benefits provided to certain Santa Fe County employees that may be considered taxable under the Internal Revenue Code.
- B. If a fringe benefit is determined to be taxable under the Internal Revenue Code then the value of that benefit must be added to the receiving employee's wages and thus, must be reported on the employee's annual W-2 form. Further, the benefit is subject to Federal tax withholding and to Medicare and Social Security (FICA) withholding with a required FICA employer share paid by Santa Fe County.
- C. The County is responsible for documenting and accounting for taxable fringe benefits as well as reporting them to the Internal Revenue Service (IRS) and the Social Security Administration (SSA) in accordance with their requirements. The County must also pay its share of Medicare and Social Security taxes (FICA) on all taxable fringe benefits, thus the County's share must be contemplated in the budget of any Department/Division which has an employee or employees who receive a taxable fringe benefit.
- D. The taxable fringe benefits discussed in this procedure are currently the only ones to impact elected officials and employees of Santa Fe County. However, the Internal Revenue Code and Internal Revenue Service rules are subject to change or modification. Santa Fe County may amend this policy in order to comply with the Internal Revenue Code or Internal Revenue Service rules and any changes made thereto. Any employee impacted by such amendments to this policy will receive prior notification of the change and its tax consequences.

V. POLICIES AND PROCEDURES

- A. The Finance Department will designate a Taxable Fringe Benefits Employee who will be responsible for tracking, accounting for and reporting taxable fringe benefits and will act as a liaison to Departments/Divisions and employees of Santa Fe County regarding taxable fringe benefits.
- B. County-owned Vehicles:
 1. Each elected official or employee of the County who uses a vehicle owned by the County will be aware of and adhere to the policies and procedures contained herein.

2. Personal use of a County-owned vehicle, except for commuting (discussed below), is prohibited in accordance with Santa Fe County Resolution Number 1998-122, "A resolution establishing a vehicle take-home policy for Santa Fe County employees."
3. Any person to be assigned a specific County-owned vehicle for her/his use on a daily and ongoing basis, including for commuting purposes, must complete a Request for Take Home County Vehicle form and submit it to the Taxable Fringe Benefits Employee. All information requested on the form must be complete including the work-related justification for using a take-home vehicle and *all* authorizing signatures. A signature on the Request for Take Home County Vehicle form indicates that the signer has read, and agrees with, the work-related justification for the take home vehicle. (see attachment A).
4. Any Department/Division director or elected official who authorizes a take-home vehicle for an employee is responsible for determining that adequate funding exists in her/his Department's benefits line items to pay the employer portion of the Medicare and Social Security taxes (FICA). Her/his authorizing signature on the Request for Take Home County Vehicle form will be evidence that adequate funding is available.
5. Commuting to and from work in a county vehicle, even if the vehicle is taken home for the convenience of the employer, is considered personal use and is a taxable fringe benefit. Thus the value of commuting must be determined and included in the employee's taxable income subject to all required withholding.

Exemptions From Taxation of Fringe Benefit:

- a. An exception to the requirements of Section V.B.5. is provided by the Internal Revenue Code only when the vehicle is a Qualified Non-Personal Use Vehicle AND the elected official or employee meets the criteria listed below:
 - i. Qualified Non-Personal Use Vehicles:
 1. Clearly marked police and fire vehicles (NOTE: a marking on the license plate is not considered a "clear mark.")
 2. Unmarked vehicles used by law enforcement officers only if the vehicle is used by a law enforcement officer who is authorized to carry firearms, execute search warrants and make arrests.
 3. An ambulance or hearse used for its specific purpose.
 4. Any vehicle designed to carry cargo with a loaded gross vehicle weight over 14,000 pounds that is clearly marked with permanently affixed decals indicating its use by Santa Fe County.
 5. Delivery trucks with seating for the driver only, or driver plus a folding jump seat, and either permanent shelving that fills most of the cargo area or an open cargo area and the van always carries cargo used by Santa Fe County.
 6. A passenger bus with a capacity of at least 20 passengers used for its specific purpose.

7. School buses.
 8. Tractors and other special purpose farm vehicles.
 9. A pickup truck that is clearly marked with permanently affixed decals indicating its use by Santa Fe County AND is equipped with at least one of the following items:
 - a. A hydraulic lift gate,
 - b. Permanent tanks or drums, or
 - c. Permanent side boards or panels that materially raise the level of the side of the truck bed.
 10. A pickup truck that is clearly marked with permanently affixed decals indicating its use by Santa Fe County AND is used primarily to transport a particular type of load (other than over the public highways) in a construction, processing, mining, drilling, timbering or other similar operation for which it was specially designed or significantly modified.
- ii. Criteria for an Employee using a Qualified Non-Personal Use Vehicle to be exempted from tax withholding and reporting requirements:
1. The employee must always be on call.
 2. The employee must be required to use the vehicle for commuting.

Taxable Fringe Benefit

- b. Use of a County-owned vehicle by an elected official or employee that does not meet both sets of criteria listed in Section V.B.5.a.i-ii is a taxable fringe benefit; the value of which will be determined using the following rules established by the IRS for this purpose. (Note the rates are subject to change by the IRS).
 - i. The IRS General Valuation Rule will be used to determine the percentage of personal use (i.e. commuting use) and the percentage of business use of the vehicle being used.
 1. Any employee subject to the Annual Lease Value Rule must maintain a record of her/his vehicle use. These records must be kept on a daily basis on the prescribed vehicle usage log, and must be turned into the Taxable Fringe Benefits Employee attached to timesheets, based on the Santa Fe County Human Resources Calendar which is published each year. (See attachment B). The Internal Revenue Service requires that the following information is provided by any employee who received this fringe benefit:
 - a. Date,
 - b. Beginning and ending mileage,
 - c. Destination,
 - d. Business purpose,
 - e. Commuting information.
 2. Vehicle usage logs are subject to audit and must be produced upon request.
 - ii. The IRS Annual Lease Value Rule must be used to value the benefit for vehicle use by an elected official or an employee meeting the IRS definition of a Highly Compensated Employee. (see attachment C).

1. Every four years after date of implementation, or any time a new vehicle is made available, the Taxable Fringe Benefit Employee will determine the Fair Market Value of the vehicle. For an existing vehicle the Kelly Blue Book or the National Automobile Dealers Association (NADA) may be used. For a new vehicle the purchase price will be used.
2. The Annual Lease Value (ALV) will be determined based on the table provided for this purpose found in IRS Publication 15-B, Employers' Tax Guide to Fringe Benefits (see attachment D). For an existing vehicle this amount will be used for four years and will be recalculated every four years thereafter. If a new employee is assigned a vehicle or an existing employee is assigned a new or different vehicle, then the ALV will be recalculated for that vehicle and the four-year period will be re-established.
3. The ALV will be divided by 26 to determine the amount to be included in the employee's income per pay period.
4. The per pay period ALV amount will be multiplied by the percentage of personal use calculated from the daily usage logs using the General Valuation Rule described in Section V.B.5.b.i. and the resulting amount will be added to the employee's income for that pay period.
5. The Taxable Fringe Benefits Employee will calculate the value of fuel by multiplying the number of personal miles driven, as identified on the vehicle usage log, times the IRS established rate. (see attachment C) This amount will be added to the employee's income for that pay period.
6. In the event that vehicle usage logs cannot be produced by the employee, full ALV and fuel usage will be added to the employee's taxable income subject to required withholding.

Equation: $(ALV/26) * (\text{Personal Usage } \%) = \text{Taxable Fringe Benefit included in paycheck}$

Example:	Vehicle FMV = \$20,000 Annual Lease Value then = \$5,600	Total Miles Traveled in pay period = 354 Business Miles = 99 (28%) Personal Miles = 255 (72%) Fuel = \$.055 * Personal Miles				
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%; padding: 2px;"> $ALV: (\\$5,600/26) * (.72) = \\155.08 $Fuel: (\\$.055) * (255) = 14.03$ </td> <td style="width: 40%; padding: 2px;"> $Total Fringe Benefit = \\169.11 </td> </tr> <tr> <td colspan="2" style="text-align: right; padding: 2px;"> (to be included and taxed in paycheck) </td> </tr> </table>			$ALV: (\$5,600/26) * (.72) = \155.08 $Fuel: (\$.055) * (255) = 14.03$	$Total Fringe Benefit = \$169.11$	(to be included and taxed in paycheck)	
$ALV: (\$5,600/26) * (.72) = \155.08 $Fuel: (\$.055) * (255) = 14.03$	$Total Fringe Benefit = \$169.11$					
(to be included and taxed in paycheck)						

- iii. The IRS Commuting Value Rule may be used to value the benefit for vehicle use by any employee who meets the following criteria:
1. The vehicle is being provided for business use.
 2. The employee is **required** to commute in the County-owned vehicle as a condition of employment and for bona fide non-compensatory County business reasons.
 3. The vehicle is not driven for personal use (except for commuting).
 4. The employee must maintain records of her/his commuting trips in the County-owned vehicle in the following manner:

- a. Each day that the employee commutes to and/or from work in a county-owned vehicle she/he will enter the number of trips in the appropriate box(es) on the her/his timesheet (see attachment E).
 - b. It is the responsibility of the employee signing the timesheet and the supervisor approving the timesheet to ensure that the "days commuted" box(es) are completed where appropriate.
5. At the time of payroll processing the value of the commute will be calculated based on the Commuting Value Rule which specifies \$3.00 per day or, in the event of a one-way commute, the value is \$1.50.

Equation: $\$3.00 * (\# \text{ of Trips on Timesheet}) = \text{Taxable Fringe Benefit included in paycheck}$

Example:	Number of Trips Commuted to/fr work = 8.5
	Commuting Value Rate = \$3.00 round trip or \$1.50 one way
	Commuting Value Rate = \$3.00/round trip
	x # of Trips made <u>8.5</u>
	Total Fringe Benefit \$25.50 (to be included and taxed in paycheck)

- iv. Any employee who is assigned a county-owned vehicle and who does not qualify for an exception under Section V.B.5.a.i-ii. and does not meet the criteria for the Commuting Value Rule outlined in Section V.B.5.b.iii. will be subject to the Annual Lease Value Rules and will be subject to the tax and record keeping requirements outlined in Section V.B.5.b.i.-ii. of this procedure.
6. Daily-use vehicles can be used by multiple individuals on a day to-day basis. A daily-use vehicle is parked overnight at a County facility and the keys are kept securely at the applicable County department. Use of a daily-use vehicle as described herein is not a taxable fringe benefit.
7. Each Department/Division is responsible for maintaining an up-to-date list of elected officials and employees who have been authorized for a take-home vehicle including any vehicle that is a Qualified Personal Use Vehicle as defined in Section V.B.5.a.i. The list must also include vehicle year, make, model and current odometer reading, as well as the work-related justification for which the vehicle has been assigned. If the vehicle is considered a Qualified Non-Personal Use Vehicle and the driver meets the criteria for being exempt from tax on the fringe benefit as defined in Section V.B.5.a.ii., then the specific criteria qualifying the vehicle and the employee for exemption from taxes must also be listed.
- a. Any time a change is made to the take-home vehicle assignments the new vehicle or employee information must be provided to the Taxable Fringe Benefits Employee within 15 days of the change for review and verification.
 - b. Each January by the 15th day, a complete list of take-home vehicle assignments will be submitted to the Taxable Fringe Benefits Employee for verification of fringe benefits.

- c. The list will be reviewed and verified by the Taxable Fringe Benefits Employee to determine whether criteria are met to exclude the benefit value from income on an employee by employee basis and will determine which method to use for valuing the benefit to the employee for income tax purposes, if applicable.

C. Vehicle Allowance:

- 1. A vehicle allowance paid to an employee of the County for business use of a personal vehicle is a taxable fringe benefit.
- 2. Determination of the taxable portion is as follows:
 - a. The employee must substantiate the number of business miles driven in her/his personal vehicle. If the cost of that business usage equals or exceeds the amount paid as a vehicle allowance to the employee then no part of the allowance will be taxable. The cost of business usage is determined by multiplying the number of business miles driven times the IRS mileage reimbursement rate (see attachment C).

Example:	Total Business Miles from Logs:	413
	IRS Mileage Reimbursement Rate (2007)	<u>x.485</u>
	Total Cost of Business Usage	\$200.31

- i. In order to substantiate the business usage the employee must maintain a daily log of all miles driven in the vehicle (see attachment F).
 - ii. Daily mileage logs must be submitted to the Taxable Fringe Benefits Employee by the 5th day of each month to substantiate mileage for the previous month.
- b. If the employee substantiates the number of business miles driven and the cost of business usage as determined using the method described in Section V.C.2.a.i-ii. is less than the allowance paid, the employee must return the excess allowance or the excess amount is taxable and will be added to the employee's income subject to all required withholding.
- c. Any amount of the allowance paid that remains unsubstantiated by the 5th day of the month will be added to the employee's income in the second pay period of that month and will be subject to all required withholding.
- d. Daily mileage logs are subject to audit and must be produced upon request.
- e. An employee may choose not to provide any substantiation for business usage as outlined in Section V.C.2.a.i-ii. In this case the entire amount of the allowance is taxable and will be included in the employee's income in the second pay period of each month subject to required withholding.

D. Meal Allowance:

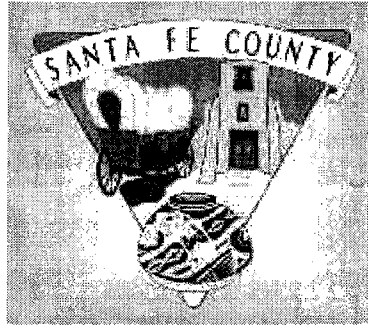
- 1. A meal allowance paid to an employee of the County is a taxable fringe benefit.
- 2. Determination of the taxable portion is as follows:

- a. An employee who receives a meal allowance must substantiate the business purpose of the meals by providing receipts for the cost of meals and an explanation of the business purpose. If the receipts provided equal or exceed the amount paid as a meal allowance to the employee then no part of the allowance will be taxable. In order to qualify as adequate substantiation the meal receipts must contain the following information:
 - i. Receipts must be itemized with actual purchases of food and non-alcoholic beverages.
 - ii. The name(s) of the individuals attending the meal must be provided.
 - iii. The date and time of the meal must appear on the receipt.
 - iv. The total purchase must appear on the receipt.
 - v. The business purpose must be provided.
- b. If the employee substantiates only a portion of the meal allowance through receipts, the employee must return the excess allowance or the excess amount is taxable and will be added to the employee's income subject to all required withholding.
- c. Any amount of the allowance paid that remains unsubstantiated by the 5th day of the month will be added to the employee's income in the second pay period of that month and will be subject to all required withholding.
- d. An employee may choose not to provide any substantiation for her/his meal allowance. In this case the entire amount of the allowance is taxable and will be included in the employee's income in the second pay period of each month subject to required withholding.

E. Clothing/Uniform Allowance:

- 1. Clothing or uniforms provided by the County are considered a taxable fringe benefit unless the items meet the following criteria:
 - a. safety items purchased to assist the employee in performing work responsibilities in a more safe environment (e.g. steel toed boots, hard hat); or
 - b. the employee must wear the clothing or uniform as a condition of employment;
and
 - c. the clothes are not suitable or adaptable for everyday wear.
- 2. Clothing or uniforms provided for the employee that do not meet the above criteria will be included in the employee's taxable income subject to required withholding.
- 3. Any requisition for an expenditure from the .60-07 (Uniforms) line item must be submitted to the Taxable Fringe Benefits Employee for review.
 - a. The requisition must include a detailed description of each item to be purchased and the name of the person for whom the clothing or uniform item(s) are being purchased.
 - b. Once the Taxable Fringe Benefits Employee has reviewed the requisition she/he will determine the value of the clothing or uniform that should be included in the employee's taxable income, if any.

- c. If the Taxable Fringe Benefits Employee determines that any amount on the requisition should be included in the employee's taxable income, the requisitioner will be notified and, in conjunction with the employee for whom the clothing was ordered, may decide to rescind the requisition.
 - d. If the requisitioner and the employee agree to complete the requisition and purchase process, the following steps must be taken to ensure appropriate withholding and reporting:
 - i. the requisitioner is responsible ensuring that adequate funding exists in the employee benefits line item to pay for the employer's portion of Medicare and Social Security taxes (FICA);
 - ii. if adequate funding exists, the requisitioner will notify the Taxable Fringe Benefits Employee of the decision;
 - iii. the Taxable Fringe Benefits Employee will inform/direct payroll to include the value of the clothing to the employee's income in the next pay period subject to required withholding; and
 - iv. the Taxable Fringe Benefits Employee will forward the requisition to the Purchasing Department for processing.
4. A Department/Division director or elected official may decide to adopt an internal policy to track and maintain all clothing or uniform purchases as inventory exempt items. If this option is selected then clothing or uniform items will be considered County issued property to the employee, will remain the property of Santa Fe County, and must be returned to the County upon the employee's separation from the County. The items must be accounted for and adhere to the policies and procedures regarding inventory exempt items, including proper disposition of each item when it becomes obsolete. If a Department/Division elects this option, then the uniforms will not be considered taxable fringe benefits to the employees to which they have been assigned.
- F. The Finance Department will conduct annual trainings on these procedures. These trainings will be mandatory for any employee or elected official who is impacted by this policy.
- G. Failure by employees to comply with the policies and procedures outlined herein will be subject to loss of the affected fringe benefit(s) and further, may be subject to disciplinary action up to and including termination.



SFC CLERK RECORDED 06/26/2007

REQUEST FOR TAKE HOME COUNTY VEHICLE

NAME: _____

DEPARTMENT/DIVISION: _____

VEHICLE REQUESTED:

MAKE: _____ MODEL: _____

YEAR: _____ CURRENT ODOMETER READING: _____

PLACE OF RESIDENCE: _____ DAILY MILES TO/FROM WORK: _____

WORK-RELATED JUSTIFICATION FOR REQUESTED VEHICLE (I.E. ON-CALL, ETC.):

EMPLOYEE ACKNOWLEDGEMENT OF VEHICLE RESPONSIBILITY

I have read Santa Fe County Resolutions No. 1998-122 and No. 2007-_____, I understand the rules and ramifications as set forth in the Resolutions, and agree to abide by these rules. I also understand that this is a fringe benefit of working for Santa Fe County and that I may be taxed for this benefit and have my salary adjusted by the amount of benefit received. I understand that I must update this form within 15 days if I change residences, if I am assigned a different vehicle or if I change job positions within the County. If I fall under the Annual Lease Value Rule, I understand that I must log all miles traveled and provide these logs with my timesheets every ending pay period.

EMPLOYEE SIGNATURE: _____ DATE: _____

SUPERVISOR: _____ DATE: _____

DIRECTOR/
ELECTED OFFICIAL: _____ DATE: _____

COUNTY MANGER: _____ DATE: _____

FINANCE DIRECTOR: _____ DATE: _____

HUMAN RESOURCES DIRECTOR: _____ DATE: _____

SANTA FE COUNTY

COUNTY-OWNED VEHICLE USAGE

(TO BE TURNED IN WITH BI-WEEKLY TIMESHEET)

Jane Doe
Employee Name

123-45-6789
Employee Social Security Number

DATE	BEGINNING MILEAGE	ENDING MILEAGE	TOTAL MILES	DESTINATION	BUSINESS PURPOSE	IN MILES	COMMUTE to/from WORK	IN MILES
7/2/07	11,300.0	11,345.0	45.0	Various County Buildings	Meetings	15.0	round-trip to work	30.0
7/3/07	11,345.0	11,380.0	35.0	County Admin Building	Training	5.0	round-trip to work	30.0
7/5/07	11,380.0	11,430.0	50.0	Various County Buildings	Meetings	20.0	round-trip to work	30.0
7/6/07	11,430.0	11,460.0	30.0			0.0	round-trip to work	30.0
7/9/07	11,460.0	11,515.0	55.0	Various County Buildings	Meetings	25.0	round-trip to work	30.0
7/10/07	11,515.0	11,550.0	35.0	Various County Buildings	Meetings	5.0	round-trip to work	30.0
7/11/07	11,550.0	11,590.0	40.0	Various County Buildings	Meetings	10.0	round-trip to work	30.0
7/12/07	11,590.0	11,627.0	37.0	Various County Buildings	Seminar	7.0	round-trip to work	30.0
7/13/07	11,627.0	11,654.0	27.0	Various County Buildings	Meetings	12.0	from home to warehouse (vehicle maint)	15.0
			0.0					
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			0.0					
			0.0					
TOTAL:			354.0			99.0		255.0

I certify that the information provided on this form is true and correct. I further certify that the County-owned vehicle issued to me was not used for personal purposes except as allowable under County policy and noted on this form.

Employee Signature _____

Date _____

TO BE COMPLETED BY FINANCE:	BUSINESS MILES: _____	PERSONAL MILES: _____ x .055 _____ FUEL	
TOTAL MILES: _____	BUSINESS USE % _____	PERSONAL USE %: _____	
Completed by: _____	Approved by: _____	Date: _____	

SFC CLERK RECORDED 06/26/2007

ATTACHMENT B

SANTA FE COUNTY
Procedure No. _____

INTERNAL REVENUE SERVICE
ESTABLISHED RATES AND DEFINITIONS USED FOR
VARIOUS TAXABLE FRINGE BENEFITS AND
REIMBURSEMENTS

2007

Highly Compensated Employee (total income per year)	\$136,200
Fuel Usage Rate (per mile)	\$ 0.055
Mileage Reimbursement Rate (per mile)	\$ 0.485

Table 3-1. Annual Lease Value Table

(1) Automobile FMV	(2) Annual Lease
\$ 0 to 999	\$ 600
1,000 to 1,999	850
2,000 to 2,999	1,100
3,000 to 3,999	1,350
4,000 to 4,999	1,600
5,000 to 5,999	1,850
6,000 to 6,999	2,100
7,000 to 7,999	2,350
8,000 to 8,999	2,600
9,000 to 9,999	2,850
10,000 to 10,999	3,100
11,000 to 11,999	3,350
12,000 to 12,999	3,600
13,000 to 13,999	3,850
14,000 to 14,999	4,100
15,000 to 15,999	4,350
16,000 to 16,999	4,600
17,000 to 17,999	4,850
18,000 to 18,999	5,100
19,000 to 19,999	5,350
20,000 to 20,999	5,600
21,000 to 21,999	5,850
22,000 to 22,999	6,100
23,000 to 23,999	6,350
24,000 to 24,999	6,600
25,000 to 25,999	6,850
26,000 to 27,999	7,250
28,000 to 29,999	7,750
30,000 to 31,999	8,250
32,000 to 33,999	8,750
34,000 to 35,999	9,250
36,000 to 37,999	9,750
38,000 to 39,999	10,250
40,000 to 41,999	10,750
42,000 to 43,999	11,250
44,000 to 45,999	11,750
46,000 to 47,999	12,250
48,000 to 49,999	12,750
50,000 to 51,999	13,250
52,000 to 53,999	13,750
54,000 to 55,999	14,250
56,000 to 57,999	14,750
58,000 to 59,999	15,250

For automobiles with a FMV of more than \$59,999, the annual lease value equals $(.25 \times \text{the FMV of the automobile}) + \500 .

FMV. The FMV of an automobile is the amount a person would pay to buy it from a third party in an arm's-length transaction in the area in which the automobile is bought or leased. That amount includes all purchase expenses, such as sales tax and title fees.

If you have 20 or more automobiles, see Regulations section 1.61-21(d)(5)(v). If you and the employee own or lease the automobile together, see Regulations section 1.61-21(d)(2)(ii).

You do not have to include the value of a telephone or any specialized equipment added to, or carried in, the automobile if the equipment is necessary for your business. However, include the value of specialized equipment if the employee to whom the automobile is available uses the specialized equipment in a trade or business other than yours.

Neither the amount the employee considers to be the value of the benefit nor your cost for either buying or leasing the automobile determines its FMV. However, see *Safe-harbor value*, next.

Safe-harbor value. You may be able to use a safe-harbor value as the FMV. For an automobile you bought at arm's length, the safe-harbor value is your cost, including tax, title, and other purchase expenses. You cannot have been the manufacturer of the automobile.

For an automobile you lease, you can use any of the following as the safe-harbor value.

- The manufacturer's invoice price (including options) plus 4%.
- The manufacturer's suggested retail price minus 8% (including sales tax, title, and other expenses of purchase).
- The retail value of the automobile reported by a nationally recognized pricing source if that retail value is reasonable for the automobile.

Items included in annual lease value table. Each annual lease value in the table includes the value of maintenance and insurance for the automobile. Do not reduce the annual lease value by the value of any of these services that you did not provide. For example, do not reduce the annual lease value by the value of a maintenance service contract or insurance you did not provide. (You can take into account the services actually provided for the automobile by using the general valuation rule discussed earlier.)

Items not included. The annual lease value does not include the value of fuel you provide to an employee for personal use, regardless of whether you provide it, reimburse its cost, or have it charged to you. You must include the value of the fuel separately in the employee's wages. You can value fuel you provided at FMV or at 5.5 cents per mile for all miles driven by the employee. However, you cannot value at 5.5 cents per mile fuel you provide for miles driven outside the United States (including its possessions and territories), Canada, and Mexico.

If you reimburse an employee for the cost of fuel, or have it charged to you, you generally value the fuel at the amount you reimburse, or the amount charged to you if it was bought at arm's length.

If you have 20 or more automobiles, see Regulations section 1.61-21(d)(3)(ii)(D).

If you provide any service other than maintenance and insurance for an automobile, you must add the FMV of that service to the annual lease value of the automobile to figure the value of the benefit.

SANTA FE COUNTY REGULAR EMPLOYEE TIME SHEET

PAY PERIOD ENDING DATE:

EMPLOYEE NAME: Jane Doe

DEPARTMENT CODE: _____

SOCIAL SECURITY NUMBER: 123-45-6789

DEPARTMENT: _____

HOURS WORKED:

	S	S	M	T	W	T	F	TOTAL
ACTUAL			8.00	8.00		8.00	8.00	32.00
COMPTIME ON-CALL								0.00
COMPTIME-STRAIGHT								0.00
COMPTIME-TIME & HALF								0.00
OVERTIME ON-CALL								0.00
OVERTIME-STRAIGHT								0.00
OVERTIME-TIME & HALF								0.00

LEAVE USED:

ANNUAL								0.00
SICK								0.00
COMPTIME								0.00
HOLIDAY					8.00			8.00
HOLIDAY REIMBURSEMENT								0.00
HOLIDAY PREMIUM								0.00
PERSONAL HOLIDAY								0.00
ADMINISTRATIVE								0.00
JURY DUTY								0.00
MILITARY								0.00
EDUCATIONAL								0.00
LEAVE WITHOUT PAY								0.00
ABSENCE WITHOUT LEAVE								0.00
TOTAL HOURS:	0.00	0.00	8.00	8.00	8.00	8.00	8.00	40.00

HOURS WORKED:

	S	S	M	T	W	T	F	TOTAL
ACTUAL			8.00	8.00	8.00	8.00	8.00	40.00
COMPTIME ON-CALL								0.00
COMPTIME-STRAIGHT								0.00
COMPTIME-TIME & HALF								0.00
OVERTIME ON-CALL								0.00
OVERTIME-STRAIGHT								0.00
OVERTIME-TIME & HALF								0.00

LEAVE USED:

ANNUAL								0.00
SICK								0.00
COMPTIME								0.00
HOLIDAY								0.00
HOLIDAY REIMBURSEMENT								0.00
HOLIDAY PREMIUM								0.00
PERSONAL HOLIDAY								0.00
ADMINISTRATIVE								0.00
JURY DUTY								0.00
MILITARY								0.00
EDUCATIONAL								0.00
LEAVE WITHOUT PAY								0.00
ABSENCE WITHOUT LEAVE								0.00
TOTAL HOURS:	0.00	0.00	8.00	8.00	8.00	8.00	8.00	40.00

TAKE HOME VEHICLE USE ONLY: Total Trips

Commuted to/from Work			1.00	1.00		1.00	1.00	4.00
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5 = One-way
1 = Round-trip

Total Trips

			1.00	1.00	1.00	1.00	0.50	4.50
								8.50

I hereby certify that the above reported information is correct.

Employee Signature/Date _____

Supervisor Signature/Date _____

Department Director /Elected Officials Signature/Date _____

COMMENTS:

Rev. 9/97, 12/00, 7/07

Quarter Hour Conversion Table

Quarter Hour Increments
 1-15 min = .25 hr
 16-30 min = .50 hr
 31-45 min = .75 hr
 46-60 min = 1.00 hr

ATTACHMENT E

SFC CLERK RECORDED 06/26/2007

