

# TOM GREEN COUNTY



San Angelo, Texas

**OFFICE OF THE  
COUNTY AUDITOR**

August 20, 2018

The Honorable Commissioners Court  
111 West Beauregard Avenue  
San Angelo, TX 76903

To The Honorable Commissioners Court,

We performed a review of employees who are provided County uniforms and are taxed in accordance with Internal Revenue Code (IRC) §262 through payroll. Under IRC §262 if the required work attire is suitable for general or personal wear the value is included in wages subject to federal income tax (FIT) and federal insurance contributions act (FICA). On average, thirty-seven employees receive weekly uniforms consisting of shirts and jeans. As jeans are considered attire suitable for general or personal wear their value is included in the employees' wages. Through the UniFirst invoices we confirmed that the correct jeans value was included for all employees who received uniforms. Per the new UniFirst contract, effective July 6<sup>th</sup>, we calculated the new "jeans tax" value and traced the updated amount to the first payroll in August.

We found no exceptions during our review. The Treasurer's office is appropriately charging tax on the jeans, and they are charging the correct amounts. The monitoring of the "jeans tax" is an ongoing process as new employees are hired in the Road & Bridge, Facilities, Shop and Parks departments.

Very cordially,

Nathan Craddock  
County Auditor

cc: The Honorable Barbara Walther  
District Judge, 51<sup>st</sup> Judicial District

The Honorable Dianna Spieker  
Tom Green County Treasurer