

TOM GREEN COUNTY



San Angelo, Texas

OFFICE OF THE County Auditor

May 21, 2019

The Honorable Commissioners Court
Tom Green County, Texas

Dear Members of Commissioners Court,

We conducted a survey of all employees who drive a County vehicle to determine if any personal use of those vehicles may be considered taxable by the Internal Revenue Service (IRS). Using the guidelines in the IRS Publication 15-B, we developed a vehicle use questionnaire and sent it to all departments with County vehicles. These forms were used to help determine if the vehicles qualified as non-personal or met some other exemption in the publication. We found that almost all County vehicles met the qualifications to be exempt from taxable use, or were not used for personal mileage according to the survey. The results were as follows:

Law Enforcement Vehicle	85
Qualified Non-personal Vehicle	48
On Call	2
Not Taken Home	<u>4</u>
TOTAL:	139

We found one vehicle in the Extension office, according to the information provided on the forms, which did not qualify for an exemption, and the personal use of the vehicle would be considered taxable to the employee. This is consistent with our prior review of this activity, and we recommend continuing to use the commuting rule as the valuation method for the employee's daily commute to/from work, where the value of each one-way commute is \$1.50 (\$3.00/weekday). That amount is included in taxable income through payroll and the employee pays payroll taxes on the \$3 valuation. If you have any questions regarding this information, please feel free to contact me.

Very cordially,

A handwritten signature in cursive script that reads "Nathan Cradduck". The signature is fluid and includes a long horizontal flourish at the end.

Nathan Cradduck
County Auditor

Cc: The Honorable Jay Weatherby, District Judge
340th Judicial District, Texas

Marion McMinn, Risk Manager
Tom Green County