

TOM GREEN COUNTY



San Angelo, Texas

OFFICE OF THE COUNTY AUDITOR

November 1, 2022

The Honorable Commissioners Court
113 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, forty five 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 UniFirst contract, effective July 8th. 2021, and renewable every year with a 2% increase, we calculated the new "jeans tax" value and traced these updated amounts to the second payroll in September.

Because of some previous price changes, there were small overages in the taxes deducted from employee checks during the review period, and once notified, the Treasurer's office promptly processed the adjustments needed on the 09/23/2022 payroll. 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 Jay Weatherby, District Judge
340th Judicial District, Texas

The Honorable Commissioners' Court
Tom Green County, Texas