

Employee: John Doe Employer: ACME E-Commerce, Inc.
Summary - Compensation For Personal Use Of Vehicle
1/1/2019 - 12/31/2019

Any Model -- Sample

General Rule fringe	\$2,841.20
Commuting Rule fringe	\$558.09
Cents-Per-Mile Rule fringe	\$1,522.07
Annual Lease Valuation Rule fringe	\$3,792.49

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Any Model -- Sample

LEASE INCLUSION AMOUNT

NOTE: The Lease Inclusion Amount is an amount that the business lessee of the vehicle should take into income. Thus, this amount applies to the employer, not the employee. This is figured at 100% business use.

Year lease began	2019	
	=====	
Year of lease	1	
	=====	
Fair Market Value of vehicle	\$58,000.00	
	=====	
Lease Inclusion Amount		\$31.00
		=====

MILEAGE CALCULATIONS

Ending odometer	18,000
Beginning odometer	6,000

Total miles	12,000
Less, Business miles	9,000

Personal miles	3,000
	=====
Percent personal use	25.0000%
	=====
Percent business use	75.0000%
	=====

FRINGE BENEFIT FOR OTHER AUTO COSTS

Other auto related benefits	\$500.00
Multiplied by personal use percent	25.0000%

Fringe benefit for other costs	\$125.00
	=====

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GENERAL RULE

Value to employee	\$3,000.00	
Less, Employee reimbursement	200.00	

General rule fringe benefit	\$2,800.00	
	=====	
Grossed up for Social Security & Medicare taxes (2019 tax rates & wage limits)		\$2,841.20
		=====
Social Security taxes in gross up		\$0.00
Medicare taxes in gross up		\$41.20

COMMUTING RULE VALUATION

Income per one-way commute	\$1.50	
Number of one-way commutes	500	

Commuting Rule valuation	\$750.00	
Less, Employee reimbursement	200.00	

Value of fringe using the Commuting Rule	\$550.00	
	=====	
Grossed up for Social Security & Medicare taxes (2019 tax rates & wage limits)		\$558.09
		=====
Social Security taxes in gross up		\$0.00
Medicare taxes in gross up		\$8.09

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CENTS-PER-MILE RULE VALUATION

Personal miles	3,000	
Multiplied by cents/mile rate	0.580	

Fringe benefit before adjustments		\$1,740.00
Total personal miles	3,000	
Cents-Per-Mile rate for gas	0.055	

Less, Employee paid gas		-\$165.00

Cents-Per-Mile fringe		\$1,575.00
Other employer paid fringes		125.00

Total		\$1,700.00
Less, Employee reimbursement		200.00

Value of fringe using Cents-Per-Mile		\$1,500.00
		=====
Grossed up for Social Security & Medicare taxes (2019 tax rates & wage limits)		\$1,522.07
		=====
Social Security taxes in gross up		\$0.00
Medicare taxes in gross up		\$22.07

ANNUAL LEASE VALUE

Estimated FMV(facts & circumstances)	\$60,000.00	
	=====	
Manufacturer's invoice	\$62,000.00	
Multiply by IRS inflator	1.04	

Manufacturer's invoice FMV	\$64,480.00	
	=====	
Suggested retail (sticker price)	\$65,000.00	
Multiply by IRS deflator	0.92	

Suggested retail FMV	\$59,800.00	
	=====	
Nationally recognized price source FMV	\$58,000.00	
	=====	

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Detailed Analysis - Compensation For Personal Use Of Vehicle
1/1/2019 - 12/31/2019

Compute Annual Lease Value Fringe

Lowest FMV	\$58,000.00	
Annual Lease Value		\$15,250.00
Days vehicle used(not over 365)	365	
Divide by 365 (even in leap-yrs)	365	

Fraction of days used during year		1.00000

Prorated Annual Lease Value		\$15,250.00
Multiply by short period factor		1

Annual Lease Value adjusted for short periods		\$15,250.00
Multiplied by personal use percent		25.0000%

Annual Lease Value of personal use		\$3,812.50
Plus, Other auto benefits		125.00

Total		\$3,937.50
Less, Employee reimbursement		200.00

Fringe benefit using the Annual Lease Valuation		\$3,737.50
		=====
Grossed up for Social Security & Medicare taxes (2019 tax rates & wage limits)		\$3,792.49
		=====
Social Security taxes in gross up		\$0.00
Medicare taxes in gross up		\$54.99