

PROCEDURE 509-1 USE OF COUNTY VEHICLES

Effective 01-01-2020, Resolution No. 044-19

This procedure establishes the rules for the assignment of County take-home vehicles, the documentation and approvals necessary, and the taxation of the personal use of County vehicles by employees. County vehicles means vehicles owned or leased by the County.

Demonstrated Business Need for Take-Home Vehicle

County departments/agencies/offices may only assign take-home vehicles to employees who possess a demonstrated business need. Other than Qualified Non-Personal Use Vehicles (described below), the primary issue is whether it is less costly to provide an employee with a County vehicle than to reimburse mileage or provide a car allowance.

The following criteria should be used to determine whether there is a demonstrated business need for an employee to have a take-home vehicle:

- **Emergency Response:** The employee's job duties and responsibilities require the employee to respond to emergencies throughout the County or at a number of worksites, and the employee is expected to carry particular equipment in the vehicle to respond to the emergency.
- **Marked Vehicles:** The employee needs to respond quickly to emergency or time-sensitive matters in a marked vehicle to permit access to restricted areas.
- **Special Equipment:** The employee's job duties and responsibilities require the employee to carry special equipment with them that is not readily transportable in their own vehicle, and the employee does not first report to a primary place of business.
- **Disparate Worksites:** The employee regularly reports to a variety of worksites rather than working at a fixed location the majority of the time, and the County will receive significant economic benefit from providing the employee with a vehicle.
- **Travel:** The employee's job duties and responsibilities require the employee to undertake frequent and/or prolonged travel throughout or outside of the Johnson County area, and it is less costly to provide the employee with a vehicle than to reimburse the employee's mileage.
- **Market Necessity:** The employee's position is one for which employers regularly provide a vehicle to persons filling similar positions, and it is necessary to provide a take-home vehicle in order for the County to maintain market competitive compensation.

Tax Consequences and Accounting

Except for Qualified Non-Personal-Use Vehicles, the personal use of County vehicles is taxable income pursuant to federal and state law and must be reported to the Payroll Division of the Department of Financial Management & Administration (FMA-Payroll). The value of such use will be included in employees' taxable wages for reporting and withholding purposes.

Determination of Vehicle Usage and Classification

FMA-Payroll is responsible for determining whether a vehicle is a Qualified Non-Personal Use Vehicle for tax reporting purposes. If a department/agency/office leader believes that a vehicle is a Qualified Non-Personal-Use Vehicle, he or she must provide FMA-Payroll with all information necessary for a proper determination.

Qualified Non-Personal-Use Vehicles

A qualified non-personal-use vehicle is any vehicle that the employee is not likely to use more than minimally for personal purposes because of its design. Qualified Non-Personal Use Vehicles are exempt from the Internal Revenue Service requirement that employers maintain accurate and detailed mileage logs. Qualified non-personal-use vehicles include the following:

- Clearly marked police, fire, or public safety vehicles; provided that (1) the vehicle is required to be used for commuting by the County; (2) the public safety officer assigned the vehicle is required to be on call and to respond to law enforcement, fire, or medical emergencies; and (3) any personal use of the vehicle (other than commuting) is prohibited.
- Unmarked vehicles used by law enforcement officers if the use is officially authorized.
- An ambulance or hearse used for its specific purpose.
- Any vehicle designed to carry cargo with a loaded gross vehicle weight over 14,000 pounds.
- Delivery trucks with seating for the driver only, or the driver plus a folding jump seat.
- A passenger bus with a capacity of at least 20 passengers used for its specific purpose.
- School buses.
- Tractors and other special purpose farm vehicles.

Non-Qualified Vehicles

A nonqualified non-personal-use vehicle (or personal use vehicle) is any vehicle not specifically listed under the qualified non-personal-use vehicle section. All ordinary cars, trucks, and vans are nonqualified vehicles. A County logo on the side of the vehicle or equipment stored in the vehicle does not qualify the vehicle as exempt from taxation.

Restrictions on Use of Take-Home Vehicles

Employees may not use County take-home vehicles, whether Qualified Non-Personal Use Vehicles or not, for any non-business purpose other than commuting to and from work.

Mileage Logs

Employees with a County take-home vehicle must record all personal use of the vehicle on the Personal Use Vehicle Log provided by FMA-Payroll. The department/agency/office reports must submit the log to FMA-Payroll within five business days after the end of the month.

In addition, other than for Qualified Non-Personal-Use Vehicles and motor pool vehicles never driven for personal use, departments/agencies/offices must maintain accurate and detailed mileage logs reflecting all use of County vehicles – personal or otherwise.

Motor Pools

Motor pool and fleet vehicles, other than Qualified Non-Personal Use Vehicles, may not be driven for personal use, including commuting. Department/agency/office leaders are responsible for establishing and maintaining internal controls to monitor the use of motor pool vehicles to ensure no personal use.