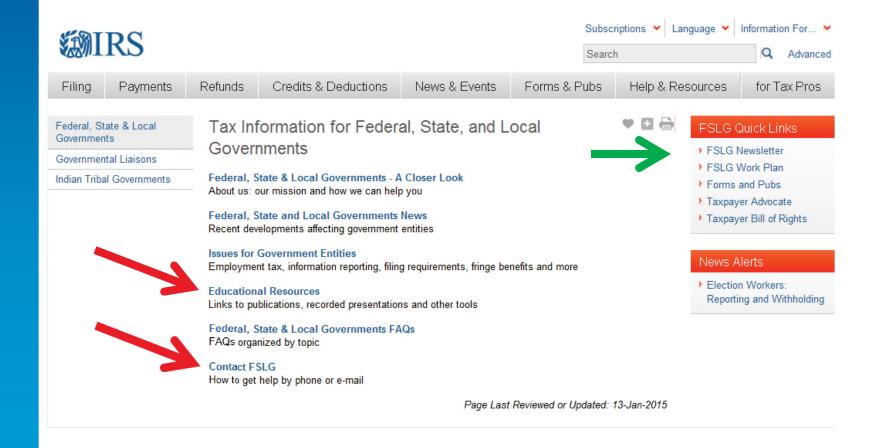


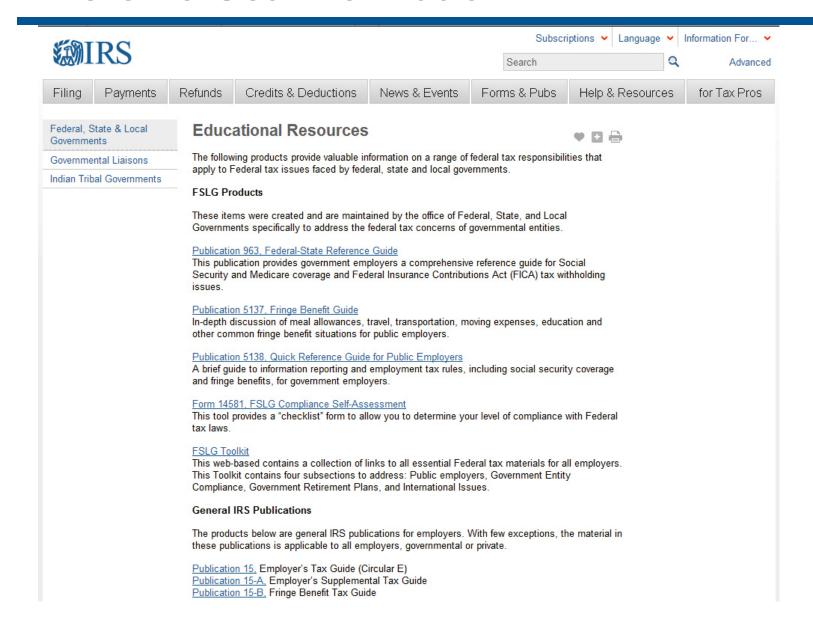
### Where To Get Information

### www.IRS.gov/govts





### Where To Get Information





### **Cell Phones**

No longer considered listed property

• Notice 2011-72, 2011-38 I.R.B. 407



## Payments In Lieu of Insurance

Receipts for insurance or medical expenses

Non-taxable – No reporting required



# Payments In Lieu of Insurance

## Cash Payments – No Accounting

- Fully taxable
- W-2 reportable
  - Box 1 Gross Compensation
  - Box 3 SSA Wages
  - Box 5 Medicare Wages



## **Moving Expenses**

## IRC Section 132(g):

Allows employer to reimburse employee

#### IRC Section 217:

 Allows individual to deduct certain expenses



# **Moving Expenses**

Not taxable to employee if they are:

- paid under an Accountable Plan
- meet specific tests under IRC 217



### **IRC 217 Tests**

Individual must be an employee who incurs the expenses

### Expenses must:

- closely relate to starting work at new job location
- be allowed under section 217
- meet time and distance tests



## **Moving Expenses – Travel Costs**

#### Non-taxable travel costs:

- Moving other members of household
- Airfare, car
- Lodging while travelling
- Parking fees, tolls



## **Moving Expenses: Goods & Personal**

Non-taxable moving costs - household goods/personal effects:

- Packing, crating, transporting
- Shipping car(s)
- Shipping pet(s)
- Storage & insurance (30 consecutive days)



## **Moving Expenses- Reimbursements**

Don't include reimbursements in income if:

- the reimbursed expenses qualify under IRC 217, and
- they are paid in the same calendar year they are deducted



# **Moving Expenses**

Timing of taxability

Employer's reporting on W-2



Meals while traveling

Meals while not traveling

- Meals with meetings or entertainment
- De minimis meal allowances



## Meals while traveling

- Tax-exempt requirements:
  - Must be away from tax home overnight, or long enough to require substantial sleep or rest
  - No set number of hours or miles away
  - Substantiation required



## Meals not away from home:

- Meals with meetings
- Meals with entertainment
- De minimis meals



## Meals with meetings or entertainment:

- Tax-exempt if meal meets test:
  - "Directly Related" test, or
  - "Associated With" test



"Directly Related" Meals are tax-exempt:

- business meetings
- service club or professional meetings
  - Example: Rotary, Finance Officers Association, CPA



#### "Associated With" Test

- Meals with clear business purpose
- Substantial business discussion/negotiations directly before or after a meal



"Associated With" Meals are tax-exempt meals at:

- conventions
- conferences



De Minimis Meals are tax-exempt if meal is:

- small in value and occasional
- not provided routinely or often
- provided so employee can work overtime



#### De minimis meal

- Generally, must be consumed during overtime period
- Not based on number of hours worked



Note: Meals consumed en route to daily business events are not exempt

 Example: Breakfast and dinner while traveling to and from a daily convention or conference would not be exempt



- If not staying at a hotel, there is no tax exempt meal reimbursement while traveling to and from event
- If everyone is responsible for their own arrangements during a lunch break, the reimbursement for lunch is fully taxable



## **Employee's Car**

Reimbursed business use is non-taxable if AT or BELOW Federal Mileage Rate



## **Standard Mileage Rates**

2010 .50 cents per mile

2011 .51 cents per mile

2012 .555 cents per mile

2013 .565 cents per mile

2014 .56 cents per mile

2015 .575 cents per mile



# **Employer Provided Vehicles**

## Qualified non-personal use vehicle

- by its design is unlikely to have personal use
- use is tax-exempt



## **Employer Provided Vehicles**

## Qualified non-personal use vehicles

- Clearly marked police and fire vehicles
- School buses
- Unmarked law enforcement vehicles
- Special purpose vehicles snow plows, etc.
- Vans and pickups must be modified to qualify



# **Employer Provided Vehicles**

See Publication 15-B for valuation rules on employer provided vehicles.

www.irs.gov/publications