Once again, it is nearly the time when employers will be preparing W-2’s and 1099’s. We would like to take this opportunity to remind you of the reporting requirements that may be applicable to your business.

**2022 W-2 Preparation Guide**

The 2022 W-2 must be filed by January 31, 2023, whether on paper or electronically filed forms. An extension to file is no longer automatic. You can request a 30-day extension to file by submitting Form 8809. The penalties associated with failure to file and file accurate forms have been adjusted for annual inflation.

Attached is a general description of the boxes on the Form W-2 and what should be included in each. Some of the more unusual items are discussed in more detail later in this letter.

Qualified moving expense reimbursements have been suspended except for members of the Armed Forces of the United States on active duty that move under military order to a permanent change of station.

The cost of employer sponsored health coverage should be disclosed on Form W-2. The information is to be provided in box 12 with code DD. The cost disclosure is purely informational and is not taxable to the employee. This disclosure is a requirement unless the employer filed fewer than 250 forms W-2 in the preceding calendar year. Then the employer is not required to report the cost of employer sponsored health coverage on Form W-2 for the current year.

The employer is required to withhold an additional 0.9% in Medicare tax on Medicare wages greater than $200,000. There is no employer match on this additional tax.

A cafeteria plan may not allow an employee to request salary reduction contributions for a health flexible spending arrangement (FSA) in excess of $2,850 for 2022.

Any Indiana employer that files more than 25 withholding statements in a calendar year is required to file the annual WH-3 and their employees’ W-2’s electronically. The employer can comply with these requirements by submitting the forms manually or thru a file upload on Indiana’s website called INTime, [https://intime.dor.in.gov](https://intime.dor.in.gov).
The Indiana Form WH-3 must be filed within 31 days from the end of the calendar year. The due date for the 2022 WH-3 is January 31, 2023.

The state of Indiana has a mandate that numerous returns be submitted and paid electronically rather than by paper. Form WH-1, ST-103 and FAB-103 are just three of many. If you have not already registered with Indiana INTIME you need to do so. The website site is [https://intime.dor.in.gov](https://intime.dor.in.gov). Follow the instructions on the site to register.

**2022 941 Preparation**
The COVID-19 employee retention credit (ERC) has expired.

**2022 940 Preparation**
The calculation for federal unemployment taxes on Form 940 has the following considerations for 2022.

**Credit Reduction** – When a state has not repaid funds borrowed from the federal government to pay state unemployment benefits, the states with outstanding borrowed funds will have the credit reduced each year until the loan has been unpaid. Reducing the credit will increase the FUTA rate by the same percent. In 2022, California, Colorado, Connecticut, Illinois, and New York had a credit reduction rate of 0.3%. The credit reduction rate for the U.S Virgin Islands is 3.6%.

**Employee Cash Bonuses and Gifts**
Do you give your employees gift cards, gas cards, other gifts or cash bonuses? Cash gifts and gift cards that are redeemable for general merchandise are taxable and **must** be included as wages on their W-2. Gifts other than cash or gift cards are taxable if they total more than $25.

**Health Insurance for Shareholders of S Corporations**
Accident and health insurance premiums paid by an S Corporation for a more than 2% shareholder-employee are includable in that individual’s gross wages for income tax purposes. It is generally not includable for FICA or Medicare tax purposes.

For the shareholder to deduct the premium on his or her return, the policy must be paid for by the company. If the shareholder pays the premium, the company should reimburse the shareholder for the premium payment and include the reimbursement on a W-2. The reimbursement must occur during 2022.

For shareholders that have Medicare premiums or pay insurance through the healthcare exchange, the premiums are considered shareholder health insurance premiums provided the company reimburses the shareholder the amount of those premiums.
**Health Savings Accounts (HSA) Contributions**

Employer contributions to eligible employee’s HSA are treated as employer-provided coverage for medical expenses under an accident or health plan. The contributions are therefore excludable from the employee’s income and are exempt from FICA and FUTA taxes. The employee cannot deduct employer contributions even though the employer contributions must be reported on the W-2.

An HSA contribution paid by an S Corporation for a more than 2% shareholder-employee can be deducted by the Corporation as payment for services. The contribution is includable in the shareholder’s gross wages for income tax purposes but excluded for FICA or Medicare tax purposes.

An HSA contribution paid by a partnership can be treated two ways. The contributions are excluded from that individual’s adjusted gross income for tax purposes if treated as a distribution. The contributions are includable in that individual’s adjusted gross income for tax purposes if treated as a guaranteed payment.

An individual’s HSA contributions can be made any time prior to the tax return filing deadline for a year excluding extensions. For those individuals on a calendar-year, the deadline for making HSA contributions is April 18, 2023. An employer contribution must be made by December 31, 2022.

**Qualified Small Employer Health Reimbursement Arrangement (QSEHRA)**

If an employee is reimbursed by a qualified small employer, for his or her privately owned health insurance premium, the employer must report the reimbursement on the Form W-2 in box 12 with code FF. This form of reimbursement is permitted as a Qualified Small Employer Health Reimbursement Arrangement (QSEHRA).

For the reimbursement to be considered a QSEHRA, the following requirements must be met:

1. The employer cannot be an Applicable Large Employer (ALE). An ALE is an employer with more than 50 employees. A qualified small employer is an employer with fewer than 50 employees.
2. The employer does not offer a group plan to any of its employees.
3. The employer must provide the same terms to all eligible employees.
4. There is no reduction from the employee payroll for this reimbursement.
5. The employee must provide proof of coverage for the reimbursement.
6. The reimbursement amount cannot exceed $5,450 for an individual or $11,050 for employee’s family.

**Reimbursement of Employee Expenses**

If an employee is reimbursed for his or her business expenses, the tax treatment depends on whether the reimbursements are made under an “accountable plan” or a “nonaccountable plan.”
Accountable Plan – Reimbursements made under an accountable plan are not included on the employee W-2. To be considered an accountable plan, the following three requirements must be met:

1. The reimbursements must be for deductible business expenses of the employer that are paid by the employee in fulfilling his duties as an employee.
2. The employee must be required to substantiate the expenses to the employer. Amount, time, and business purpose must be shown by the employee. He may do this with logs, account books, diaries, or similar records. The employee should also supply supporting documentation to the employer.
3. The employee must be required to return to the employer any excess of reimbursements over substantiated expenses within a reasonable period.

Nonaccountable Plan – If the reimbursements are made under a nonaccountable plan, they are includable as wages on the employee’s W-2 for income tax, FICA tax and Medicare tax purposes. A nonaccountable plan is one that does not meet one or more of the three requirements listed above. After December 31, 2017, an employee no longer has the ability to deduct the reimbursed expenses on Schedule A of his Form 1040.

Sick Pay
If you had employees who received sick pay from a third-party payer (such as an insurance company) you should confirm with the third-party payer, the responsibilities each of you will assume. Sick pay is taxable for income tax, FICA tax, and Medicare tax purposes and is reportable on Form W-2. Many times, the third-party payer will withhold income taxes, FICA taxes, and Medicare taxes and inform you of the matching FICA and Medicare that you are responsible for depositing. Also, the third-party payer may issue a W-2 to the employee reporting only the sick pay it has paid to the employee. Other times, the third-party payer of the sick pay will send you a report of the sick pay which it paid during the year, and you will be responsible for reporting it on the employee’s W-2. As you can see, there are many variations as to the handling of sick pay and it is your responsibility to coordinate the reporting and payment of income tax, FICA tax, and Medicare tax with the third-party payer.

Automobiles
As a rule, if an employer provides an auto to an employee and there is some personal use of that auto, the employer must include the value of that personal use in the employee’s wages for income tax and employment tax purposes. Now is the time that you should begin assembling the data necessary to make these computations so that when you are ready to prepare the 2022 W-2’s, the computations can be completed. The rules for automobiles are complicated and therefore, we have included a separate section which deals with automobiles.

Cell Phones
The cost of a cell phone substantially used for business is 100% deductible to the business. If the cell phone is provided to an employee for compensatory reasons such as increase in morale or goodwill to the employee, a portion is a taxable fringe benefit. The business use must be substantiated. The personal use portion is taxable to the employee unless it meets the de minimis fringe benefit requirements.
Forms 1099
There are many different types of Forms 1099 upon which certain types of payments to others are reported. If filing form 1099-NEC with nonemployee compensation in box 1, those returns must be filed by January 31, 2023. If filing forms 1099-B, 1099-S or 1099-MISC with amounts in box 8 or 10, those returns must be submitted to the recipient no later than February 15, 2023. Any other 2022 1099 is due to the recipients no later than January 31, 2023. All remaining 1099s must be submitted to the Internal Revenue Service no later than February 28, 2023 (March 31, 2023, if electronically filing). There is no requirement that copies of Forms 1099 be submitted to the State of Indiana. In general, there is no requirement to file 1099’s for payments made to corporations. If you are in doubt as to whether a payment you made is to a corporation or not and cannot find out, the safe approach would be to issue a 1099.

A few of the more commonly used Forms 1099 are listed below with a brief description of the filing requirements:

1099-NEC  The form is used for reporting nonemployee compensation (previously reported on 1099-MISC Box 7) or payments to an attorney. If a payor has paid someone less than $600 for services performed, a 1099-NEC is not required and should not be issued.

1099-DIV  This form should be issued to each person to whom you paid gross dividends of $10 or more. (If you are an S Corporation, you will report as dividends only distributions made from earnings and profits.) If the distribution is liquidating, the filing requirement is for amounts in excess of $600 instead of $10. If you have any questions about this, contact us.

1099-INT  This form should be issued to each person to whom you paid interest of $10 or more. In some instances, the filing requirement is for amounts in excess of $600, instead of the $10 limit for other interest paid.

1099-MISC  This form should be issued to each person to whom you paid at least $600 in rents, prizes, awards, or other income payments. The filing requirement is for amounts in excess of $10 for royalty payments. Payments of this type should be reported only if you are engaged in a trade or business. Therefore, personal payments are not reportable.

Please note that the penalties associated with failure to provide an accurate return or intentionally disregarding the need to file a return have increased. The penalty for a corrective action filing is $280 per occurrence. The penalty for intentional disregard is $570 per occurrence.

Forms 1094 and 1095
Generally, if an employer is an Applicable Large Employer (ALE), as classified by the Affordable Care Act (ACA), the employer will need to provide Forms 1094 and 1095. These forms are due to employees the same date as W-2s. These Forms are due to the Internal Revenue Service February 28, 2023, if filed via paper or March 31, 2023, if filed electronically. If you have not started compiling the data needed to prepare these forms, now is the time.

Disaster Area Due Dates
If you are in a federally declared disaster area, the due dates provided may not apply to you. We recommend you consult your accountant to verify if a due date has been extended as a result of the declaration.
We have tried to cover items that might be of interest to you regarding your year-end reporting requirements. However, if you have questions that we did not answer, please do not hesitate to contact us.

Very truly yours,
Dulin, Ward & DeWald, Inc.
Automobiles

In General
If an automobile owned by the employer is used by an employee for business, the employer may generally deduct all the operating expenses of that auto. The cost of the auto may be depreciated according to tables provided by the Internal Revenue Service based on the year the auto was placed in service. In a situation where the auto is used by the employee 100% for business, there are no W-2 consequences to the employee.

Personal Use of Employer-Provided Autos

General – If an employer provides an auto to an employee and there is personal use of that auto by the employee, this personal use is considered a taxable fringe benefit and the employer must include the value of that personal use in the employee’s W-2 for income tax, FICA tax, and Medicare tax and employment tax purposes. To the extent that the employee reimburses the employer for that personal use, no income results to the employee. We have provided worksheets to assist you and the employee in calculating this personal use which must be included in the employee’s W-2.

Business and personal use allocation – If an auto is used for both business and personal purposes, an allocation is required based on the number of miles driven. The business use portion is not taxable to the employee, while the personal use portion must be included in the employee’s W-2. The worksheet entitled “Statement to Employer Regarding Use of Employer – Provided Auto” is for the use of you and the employee in determining the allocation between personal use and business use. The employee should complete, sign, and date this worksheet.

Definition of “personal use” – Any use that is not in the employer’s trade or business is considered personal use. Commuting expenses between the employee’s home and regular place of business is considered personal use.

Valuation of the fringe benefit – The fair market value of the personal use is the amount that is included in the employee's W-2. The Internal Revenue Service provides three safe harbor methods of computing this personal use value:

1. Annual Lease Value Method
2. Standard Mileage Rate Method
3. Special Commuting Method

The worksheet entitled “Fringe Benefit Compensation Value for Employer – Provided Vehicle” is for your use in determining the personal use of an employer-provided auto. Instructions on how and when to use each of the three methods are included on the worksheets. However, there are a couple of comments we would like to make on the Annual Lease Value Method (Method I):

1. In using the “Annual Lease Value Table” the employer must determine the fair market value of the auto in the year it is first available for personal use. The employer’s purchase price is generally deemed to be the fair market value. The fair market value is redetermined at the beginning of the fifth year of usage.
2. An auto is considered as available for the entire year if the period of unavailability is due to personal reasons of the employee. For example, if an employee has an auto available for the entire year except for when he is on vacation, he is considered to have had the auto available for the entire year.
The Annual Lease Value Table assumes that maintenance and insurance are provided by the employer. However, neither the employer nor employee may reduce the annual lease value if these services are not provided by the employer.

Use of this method is optional but must be adopted when the auto is first made available to employer for personal use. Once adopted, the Standard Mileage rate Method (Method II) may not be used for that vehicle.

**Record Keeping**

**General** – Taxpayers must substantiate auto expenses with adequate records. While oral evidence of an expense may sometimes be accepted, it is obviously preferable that the evidence of expense be written. The evidence that should be shown with respect to an auto is as follows:

1. The amount of an expense item.
2. The amount of business use.
3. The time and date of the expense or use.
4. The business purposes.

**Adequate records** – Examples of types of records that an employee can keep are as follows:

1. Account books, diaries, or logs.
2. Documentary evidence such as receipts and paid bills.
3. Trip sheets.
4. Expense reports.

The records should be contemporaneous to as great an extent as possible. That is, they should be recorded on a regular basis as near to the time of their occurring as possible. For example, employee should not attempt to create a log for the entire year on December 15.

**Employer-provided autos** – If an employer provides the use of an auto to an employee and does not include the full value of that auto on the employee’s W—2, the employee generally must substantiate to the employer the amount of business use with adequate records. Alternatively, an employer may rely on a statement submitted by an employee that provides sufficient information to allow the employer to determine the business use of the auto. We discussed earlier in this letter the attached worksheet entitled “Statement to Employer Regarding Employee Use of Employer – Provided Auto.” This worksheet satisfies this alternative procedure.

If the employer includes the entire value of the auto on the employee’s W-2 without any exclusion for business use, the employee is required to substantiate any deduction for business that he claims on his personal income tax return.

**Employer’s Tax Obligation**

As stated previously, if an employee has personal use of an employer-provided auto, the employer is required to report the personal use as income on the employee’s W-2. In addition, the employer is required to withhold income tax, FICA tax and Medicare tax. The personal use value is also subject to FUTA.
Preparation Guide for 2022 W-2 Forms

One of the most burdensome responsibilities faced by all employers is the annual preparation of employees’ wage and tax statements. There are many special considerations, and most employers have several questions as they work through the forms and instructions or attempt to complete the appropriate reconciliations to their quarterly employment tax returns. The following summary may prove helpful in the process.

**Wages, tips & other compensation (box 1).**
Show a gross amount before any payroll deductions. In general, elective deferrals (such as a 401(k) plan) should not be included here. The following common items must be included:

- Total wages, prizes, and awards paid.
- Total noncash payments (taxable fringe benefits, for example).
- Total tips your employee reports (not allocated tips).
- Certain employee business expense reimbursements.
- Accident and health insurance premiums paid by an S corporation on behalf of its 2%-or-more shareholder-employees.
- Taxable cafeteria plan benefits (i.e., cash paid to the employee under the plan).
- Medical saving account contributions
- Employer contributions for qualified long-term care services to the extent coverage is provided through a flexible spending or similar arrangement.
- Non-accountable plans and non-job-related educational assistance.
- Amount includible as wages because you paid your employee’s share of taxes.
- Designated Roth contributions made to a section 401(k) plan or under a section 403(b) salary reduction plan.
- Distributions from a nonqualified deferred compensation or 457 plan.
- Payments to statutory employees that are subject to social security and Medicare taxes but is not subject to Federal income tax withholding.
- Cost of current insurance protection under a compensatory split-dollar life insurance arrangement.
- Employee contributions to a Health Savings Account.
- Employer contributions to a Health Savings Account if includible in the income of the employee.
- Group-term life insurance benefits in excess of $50,000 (also report in boxes 3 and 5). The cost to be included is determined according to this table.

**Cost per $1,000 of protection for one month:**

- Underage 25........................................$0.05
- 25 through 29......................................0.06
- 30 through 34....................................0.08
- 35 through 39....................................0.09
- 40 through 44....................................0.10
- 45 through 49....................................0.15
- 50 through 54....................................0.23
- 55 through 59....................................0.43
- 60 through 64....................................0.66
- 65 through 69.....................................1.27
- 70 and above....................................2.06

- Amounts includible in income under a nonqualified deferred compensation plan because of section 409A.
- Moving expenses and expense reimbursements.
- Military differentials pay to former employees while they are on active duty for more than 30 days.
- All other compensation. This includes certain scholarships and fellowship grants.
- All other compensation you pay your employee from which Federal income tax is not withheld.

**Reminder:** All wages actually paid in 2022 should be included on the 2022 W-2 form, even if they were paid for days worked in another calendar year.
**Withheld taxes (boxes 2, 4, and 6).**
Report federal income tax, Social Security tax, and Medicare tax withheld from your employee’s wages during the year.

**Reminder:** For 2022, the employee portion of Social Security tax withheld is 6.2%. The employee portion of Medicare tax withheld is 1.45% up to $200,000. The portion of Medicare tax withheld on the amount above $200,000 is 2.35%.

**Social Security wages (box 3).**
Report all wages subject to employee Social Security tax. Do not include tips. Include elective deferrals to certain cash or deferred compensation arrangement and to retirement arrangement (such as 401(k) plans, 403(b) salary reduction plans, and salary reduction SEP plans). Other items reported in box 1 also may have to be included here; see the W-2 instructions for details.

**Reminder:** The total of boxes 3 and 7 should not be more than $147,000.

**Medicare wages and tips (box 5).**
Medicare tax applies to all the same wages and tips that are subject to Social Security tax, plus any additional earnings over the Social Security wage base ($147,000 in 2022).

**Social Security tips (box 7).**
Include all tips reported by your employee, even if you did not have enough employee funds on hand to collect the employee share of Social Security tax on the tips.

**Reminder:** The total of boxes 3 and 7 should not be more than $147,000.

**Allocated tips (box 8).**
Large food or beverage establishments should show the dollar amount of tips allocated to employees here. Do not include these allocated tips in box 1, 3, 5, or 7.

**Box 9.**
No longer being used.

**Dependent care benefits (box 10).**
Report dependent care benefits including those exceeding the $5,000 exclusion. Any excess over $5,000 should also be included in boxes 1, 3, and 5.

**Nonqualified plans (box 11).**
This is for distributions from a nonqualified deferred compensation plan or Section 457 plan. Undistributed amounts that became taxable in 2022 also should be included.

**Box 12a through 12d - Codes**
Use the IRS codes A-HH which stands for a specific item and the dollar amount associated with that item.

**Box 13**
Mark the items (i.e., statutory employee, retirement plan, third-party sick pay) which apply to your employee.

**Reminder:** If an employee died during 2022, you should have withheld Social Security and Medicare taxes on any 2022 payments you made of accrued wages, vacation pay, and other compensation. Include the payments in boxes 3 and 5 and the withholding in boxes 4 and 6. Do not include the payments in box 1. If you make a payment after 2022 for an employee who died in 2022, do not report the payment on Form W-2 and do not withhold Social Security or Medicare taxes.

**Other (box 14).**
Use this to give your employees additional information they may need for their income tax returns, such as union dues or health insurance premiums that were deducted from their wages. Also, include the annual lease value of any vehicle you provided your employee if 100% of that value is included in the employee’s income.
State and local information (boxes 15 through 20).
Report state or local income tax information. There is room on each W-2 for information applicable to two states and two localities.

Filing Information

If you have 250 or more W-2s, you will be required to file electronically unless the IRS has granted you a waiver. Instructions on how to file electronically are available in SSA’s EFW2 (formerly the MMREF-1) or at www.socialsecurity.gov/employer. If you file electronically, the due date is January 31, 2022.

Reminder: The address for filing forms W-2 and W-3 is now as follows for all employers:

Social Security Administration
Direct Operations Center
Wilkes – Barre, PA 18769-0001

If by certified mail:
Social Security Administration
Direct Operations Center
Wilkes – Barre, PA 18769-0002

Reminder: If you have 25 or more W-2s, you will be required to file electronically with Indiana Department of Revenue. Information on how to file electronically is available at three locations.

- https://intime.dor.in.gov

Reminder: The W-2 electronic filing deadline for Indiana W-2 is January 31, 2023 as is with federal electronic W-2 filing.

The IRS will return wage reports for the following reasons:

- Medicare wages in box 5 are less than the sum of Social Security wages in box 3 and Social Security tips in box 7.
- Social security tax is greater than zero when social security wages or tips are equal to zero.
- Medicare tax is greater than zero when Medicare wages or tips are equal to zero.
- Social security wages and tips are less than the minimum yearly earnings for a household employee.
- Medicare wages and tips are less than the minimum yearly earnings for a household employee.
To: _____________________________________________ (Name of corporate official)

Please be advised that, during 2022, the corporation furnished the auto described below for my use on corporate business. I am providing the information shown below on my business and personal use of this auto:

Year   Make   Model

__________________________

Employee Representation:

(1) Was the vehicle available for your personal use during off-duty hours?   YES NO
(2) Did you have another vehicle available for your personal use?
   (This includes a car you own personally)?   YES NO
(3) Are you an officer or 1% owner of the business?   YES NO
(4) Did the employer pay the cost of fuel consumed by this vehicle?   YES NO

1. Ending odometer
2. Beginning odometer
3. Total mileage (line 1 – line 2)
4. Business mileage
5. Personal mileage

The above figures are based on my written records of business use. I understand that I may be required to furnish such documentation in the event of an IRS examination of my return.

_____________________________________
(Date)

_____________________________________
(Signature)
Fringe Benefit Compensation Value for Employer-Provided Vehicle (page 1 of 3)
Employer's worksheet to calculate employee's taxable income resulting from employer-provided vehicle for calendar year 2022

Employee: ________________________________

Description of Vehicle ________________________________

Date Acquired ________________________________

Date vehicle made available to employee ________________________________

Select one method (note limitations on methods II and III)

**Method I – Annual Lease Value Method** (For autos available 30 days or more)

Fair market value of vehicle at acquisition date
(To be redetermined at the beginning of the fifth year and every four years thereafter). $__________

Annual lease value factor, per attached chart (1)

Enter number of days during the year that the vehicle was available x__________

Divide by number of days in tax year ÷__________

Pro-rated annual lease value

Personal use % (personal/total miles, per statement from employee) x__________%

Annual personal-use value $__________ (A)

Plus, factor for company-provided gas used personally:

Total personal miles ________________

Less mileage where gas paid for personally ______ (2) +__________ (B)

Total personal miles on company-paid gas x rate/mile x__________

**Total additional compensation for 2022 (A) + (B) $__________**

(1) If fuel is provided “in kind,” the familiar market value may be determined based on all facts and circumstances or, alternatively, at 5 ½ cents per mile if auto usage is within the U.S., Canada, and Mexico. Generally, where fuel is purchased and charged to the employer, the actual cost, the fleet average cents per mile may be used. If employers with a fleet of 20 or more vehicles reimburse or allow employees to charge fuel cost, the fleet-average cents per may be used. If the fleet employer determines that actual cost or fleet average methods are unreasonable administrative burdens, 5½ cents per mile may be used.
**Method II – Standard Mileage Rate Method**

Generally, in order to qualify to use the cents-per-mile method, the vehicle must:
- (1) be expected to be regularly used in the employer's business throughout the calendar year,
- (2) be driven at least 10,000 miles per year, and
- (3) have a fair market value of $56,100 or less for a car, a truck or a van).

Once this method is adopted for a particular vehicle, it must be continued until the vehicle no longer qualifies.

Enter personal miles from

01/1/2022 thru 6/30/2022 ________ x $0.585 =

07/1/2022 thru 12/31/2022 ________ x $0.605 =

Less: If fuel is not provided by the employer enter personal miles ________ x $0.055 = -

**Total additional compensation for 2022** $__________

**NOTE:** If a business has five or more vehicles, the company is considered to have a fleet. This method cannot be used if the business maintains a fleet.

**Method III – Special Commuting Method**

This method may only be used for vehicles covered by a written policy that allows commuting but no other personal use. Once adopted, this method must be used if the auto qualifies. **DO NOT USE** this method in any of the following circumstances:
- (1) If the employee is a 1% or more owner
- (2) If the employee is an appointed or elected officer or director with compensation equaling or exceeding $120,000.
- (3) If the employee is an individual with compensation equaling or exceeding $245,000.

Number of commuting round trips made __________

Value per trip ($1.50 one-way; $3.00 round trip) x __________.

**Total additional compensation for 2022** $__________
Fringe Benefit Compensation Value for Employer-Provided Vehicle (page 3 of 3)

**Annual Lease Value Table**

Note: For vehicles having a fair market value in excess of $59,999, the Annual Lease Value is equal to: \((.25 \times \text{automobile fair market value}) + 500\).

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