

**INTER-OFFICE MEMORANDUM**

**CITY OF HARRISBURG**

July 24, 2017

**TO:** Eric Papenfuse, Mayor  
Office of the Mayor

**FROM:** Charlie DeBrunner, Controller  
Office of the Controller

**SUBJECT:** Personal Use of City Vehicles

The Controller's Office recently reviewed payroll documents related to the personal use of city vehicles. Based on historical trend analysis drawn from those documents (see attached graphs), there has been a significant decline in reporting personal use of city vehicles.

The use of employer owned vehicles for personal use (such as commuting to and from work) is considered a taxable fringe benefit. The value of the benefit is included in the employee's income and reported on their annual W-2 (IRS Publication 15-B Employer's Tax Guide to Fringe Benefits). Exceptions exist for qualified non-personal use vehicles such as clearly marked police and fire vehicles and unmarked vehicles used by law enforcement officers (those authorized to carry firearms, execute warrants and make arrests).

Based on the attached graphs, there were three city cost centers reporting personal use of city owned vehicles during 2013 (Codes, Public Works Director and Parks & Recreation Director). During 2014, only the Public Works Director and Codes reported personal usage. For 2015 and 2016, only the Public Works Director reported personal usage. As of the date of this correspondence, there was no reported personal use of city vehicles for 2017. The city's personal use of vehicles policy requires employees report usage on a bi-weekly basis and to submit a usage form to the Payroll Office regardless of activity. There may be several valid reasons for the non-reporting and consequently I do not draw any conclusions from the data.

I would however urge you to take this opportunity to familiarize your senior staff regarding the city's vehicle policy and related Internal Revenue Code so that they may in turn determine compliance with their own staff.

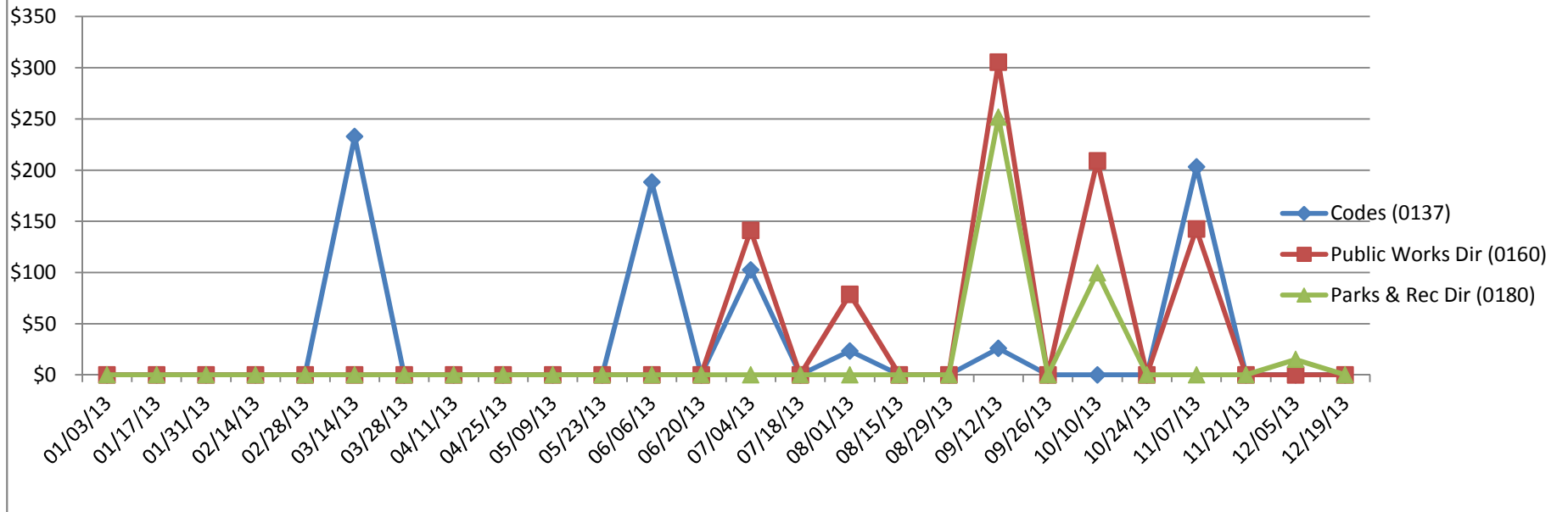
The last time the City's payroll and fringe benefits were examined by an Internal Revenue Service agent was back in 2009 (for tax year 2007). While the examiner did not recommend any changes to the City's payroll taxes, he did find commuting fringe benefits were not properly being included in the wages of certain employees.

I would be happy to discuss this further at your convenience. Thank you.

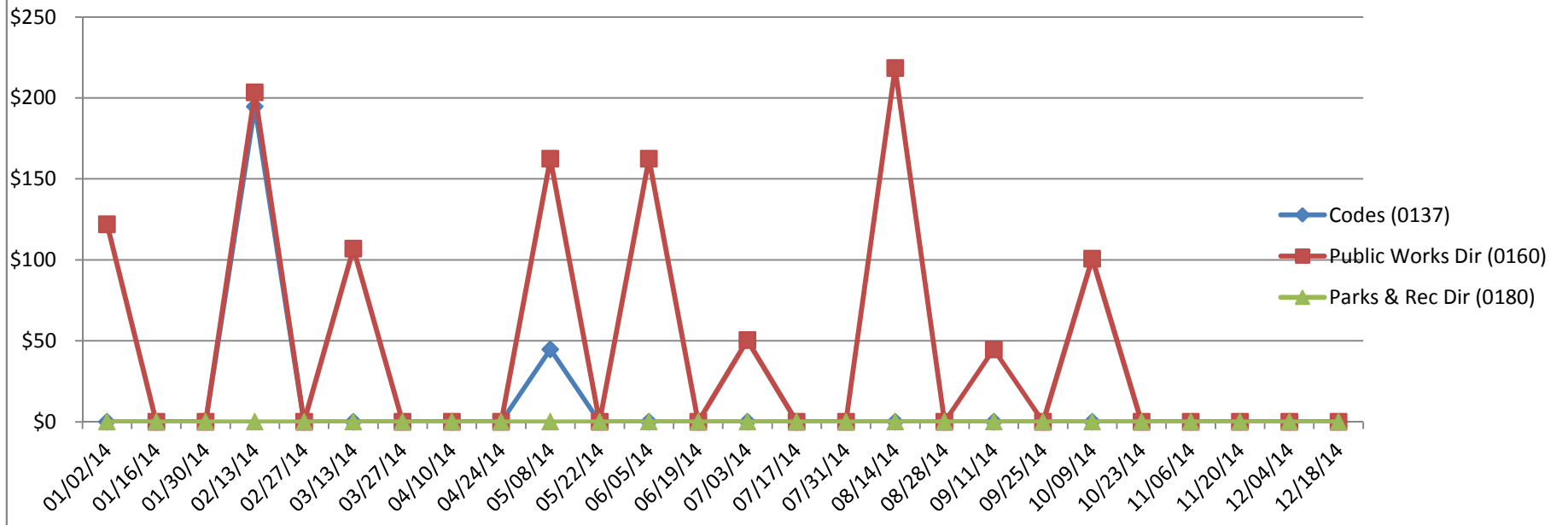
**Attachments:** Permitted Use/Vehicle Personal Use Form  
Annual mileage reimbursement rate memo for 2017  
Sample Employee Transmittal Letter

cc: File

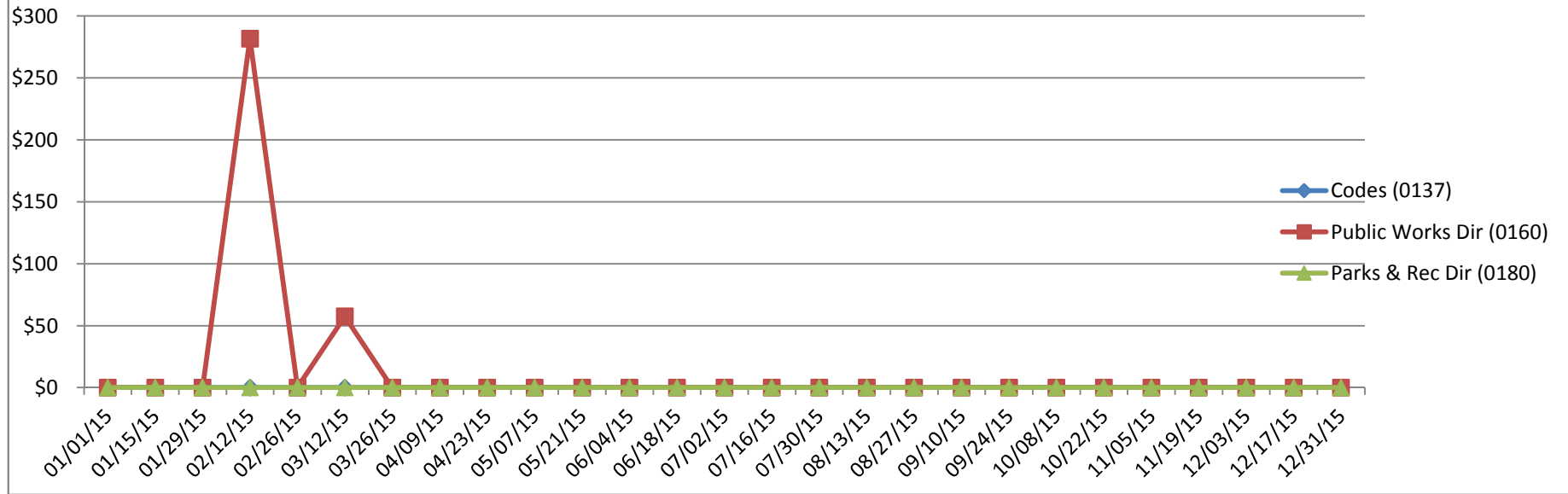
### 2013 Personal Use of City Vehicle By Pay Period



### 2014 Personal Use of City Vehicle By Pay Period



## 2015 Personal Use of City Vehicle By Pay Period



## 2016 Personal Use of City Vehicle By Pay Period

