

BEYOND INCOME TAX RETURNS

Your annual reminder about OTHER filings for the IRS, Oregon and Washington.

EXECUTIVE SUMMARY

As we, at Perkins & Co, spend the last days of 2017 preparing for the upcoming filing season, we want to ensure you know about information reporting requirements that you may need to comply with, in addition to filing income tax returns. We summarized some reminders below. *If needed, we'd be happy to help you comply with any of the filings mentioned in this document. Please [get in touch with us](#) by January 2, 2018 so we can help you gather all the information needed to file in a timely fashion.*

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FEDERAL REMINDERS

- **Information Returns Due Date Changes**

Starting in 2017, certain information returns relating to employee wage information (Forms W-2 & W-3) and nonemployee compensation (Forms 1099-MISC) are required to be filed with the IRS by January 31, generally the same date as the due date for employee and payee statements (see page 3 for more details).

- **Entity Tax Return Due Date Changes**

Also starting in 2017 (for tax years beginning in 2016), partnership tax returns are due a month earlier (March 15 for calendar year entities) and C corporation returns are due a month later (April 15 for calendar year entities).

- **Report of Foreign Bank and Financial Accounts Due Date Change**

Effective for 2016 and later returns, the filing deadline for FinCEN Form 114, Reporting of Foreign Bank and Financial Accounts is now April 15 (due two and a half months sooner).

OREGON REMINDERS

- Similar to the Federal changes, the deadline for filing W-2s and 1099s (that are reporting nonemployee compensation) with Oregon is now January 31. Other forms are generally due March 31.
- **New this year:** All copies of 1099s and all W-2s must be electronically filed with Oregon, even if you're not required to electronically file them with federal authorities. There is no longer a minimum filing threshold for some forms (see page 9).

WASHINGTON REMINDERS

- Washington doesn't have an income tax, but you may still owe their Department of Revenue money if you provide services or sell goods to Washington customers. Check out our brief guide to Washington's economic nexus rules on page 10.

**Located in Washington? We are too! Let your accountant know
if you'd like to meet at our Vancouver, WA office.**

FEDERAL GENERAL INFORMATION REPORTING REQUIREMENTS AND DEADLINES

The taxing authorities of the world are keen to know when and how businesses receive payments. The US Internal Revenue Service (IRS) uses a variety of information return forms, including the W series and 1099 series, to capture this information and use it to double check that no one is under-reporting income. Substantial penalties for late and/or incorrect filings have been enacted and are being enforced.

The IRS also requires you to disclose whether you have filed the required Forms 1099 on your business tax return and/or your business schedules on your personal tax return. That means if you have a Schedule C, E or F on your 1040 tax return, we are required to ask you if you have filed these forms. See penalties on page 6.

Beginning in 2017

The IRS moved up the filing deadline to on, or before, January 31, 2018 for Form 1099-MISC, reporting nonemployee compensation payments in box 7. Other 2017 information returns must be filed with the IRS and/or the Social Security Administration (SSA) by February 28, 2018 if paper filing or by March 31, 2018 if filing electronically. In some cases, it is possible to obtain an extension of time to file information returns with the IRS and/or SSA. **Regardless of how you file your government copies, information returns must be furnished to employees and other taxpayers by January 31, 2018.**

If you are engaged in a trade or business and you make certain payments to persons other than corporations, you may be required to file an information return. This is true for all types of payors: individuals, partnerships, associations, corporations, or any other entity engaged in a trade or business. The following is a **partial** list of payments that require an information return. Minimum payment amounts requiring a return are listed where applicable. This list is intended only as a general reminder. You can obtain detailed instructions from the IRS or from us.

FORM 1099

- Interest (\$10)
- Dividends (\$10)
- Liquidation distributions (\$600)
- Payments to independent contractors (\$600)
- Director's fees (\$600)
- Prizes or awards (\$600)
- Exchanges of services or bartering transactions (all amounts)
- Commissions (\$600)
- Pension or annuity distributions (\$10)

FORM W-2

- Wages, tips, bonuses
- Vacation allowances
- Severance pay
- Non-qualified moving expenses
- Other compensation
- Personal use value of auto (See "Employer-Provided Vehicles" below)
- Cost of certain group term life insurance policies
- Fringe benefits to a more than 2% shareholder of an S-Corporation – see page 7

FORM 1099 CONTINUED

- Rents
- Professional fees to unincorporated:
 - Doctors (\$600)
 - Accountants (\$600)
 - Other professionals (\$600)
- Professional fees to attorneys regardless of entity type (\$600)

We recommend that you obtain a Form W-9 (Request for Taxpayer Identification Number and Certification) from each vendor you do business with to determine the correct information to report on 1099 forms. For professional fees to non-attorneys, the Form W-9 can also tell you whether they are incorporated or not.

Examples of unincorporated vendor types, professional fees to these vendors DO require a 1099.

Form <b style="font-size: 24pt;">W-9 (Rev. November 2017) Department of the Treasury Internal Revenue Service	<b style="font-size: 18pt;">Request for Taxpayer Identification Number and Certification ▶ Go to www.irs.gov/FormW9 for instructions and the latest information.	Give Form to the requester. Do not send to the IRS.
1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.		
2 Business name/disregarded entity name, if different from above		
Print or type. specific instructions on page 3.	3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only one of the following seven boxes.	
	<input checked="" type="checkbox"/> Individual/sole proprietor or single-member LLC <input type="checkbox"/> C Corporation <input type="checkbox"/> S Corporation <input checked="" type="checkbox"/> Partnership <input checked="" type="checkbox"/> Trust/estate	
	<input checked="" type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ▶ P	
	Note: Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is not disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner.	
	<input type="checkbox"/> Other (see instructions) ▶	
	4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3): Exempt payee code (if any) _____ Exemption from FATCA reporting code (if any) _____ <small>(Applies to accounts maintained outside the U.S.)</small>	
	5 Address (number, street, and apt. or suite no.) See instructions	6 Requestor's name and address (optional)

Examples of incorporated vendor types, professional fees to these vendors do NOT require a 1099 (except to attorneys). (Perkins is an S-Corporation, so no need to send us 1099-MISCs.)

Form W-9 (Rev. November 2017) Department of the Treasury Internal Revenue Service	Request for Taxpayer Identification Number and Certification ► Go to www.irs.gov/FormW9 for instructions and the latest information.	Give Form to the requester. Do not send to the IRS.
1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.		
2 Business name/disregarded entity name, if different from above		
Print or type. specific instructions on page 3.	3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only one of the following seven boxes.	
	<input type="checkbox"/> Individual/sole proprietor or single-member LLC	
	<input checked="" type="checkbox"/> C Corporation <input checked="" type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate	
	<input checked="" type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ► C or S	
	<small>Note: Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is not disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner.</small>	
	<input type="checkbox"/> Other (see instructions) ►	
	4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3): Exempt payee code (if any) _____ Exemption from FATCA reporting code (if any) _____ <small>(Applies to accounts maintained outside the U.S.)</small>	

Since 2011, the IRS has required you to *exclude* any payments you made by credit card, debit card, gift card or PayPal from Form 1099-MISC. Instead, the issuing card company is required to report the information using Form 1099-K. Visit the [IRS's website](http://www.irs.gov) for more information about these rules.

When completing information returns, taxpayer identification numbers (TIN) and names must be carefully listed. The IRS automatically matches identification numbers and names. If the name does not exactly match the record for the TIN, the IRS will issue you a matching notice. For payments made to sole proprietors, show the individual's name on the first line and the business name on the second line. For payments made to single-member LLCs that are disregarded entities, enter the LLC owner's name on the first line and the LLC's on the second line, and use the LLC owner's TIN if the LLC does not have its own TIN. Failure to include correct name and number can subject the payer to penalties (discussed in more detail below).

In an effort to combat the rising problem of identity theft, the IRS recommends that you mask the recipient's taxpayer identification number on all information returns (i.e. Forms 1099 and W-2) that are sent to the payee. In other words, only the last four digits of the recipient's TIN should be visible. However, the full TIN should still appear on the government copy of the forms.

Returns must be filed electronically if at least 250 returns are required to be filed – other filers may file electronically if they wish. The 250 threshold is applied separately to each type of return form. If you have not previously filed 1099s electronically, you will need to submit an e-filing application to the IRS at least **45** days prior to the e-filing deadline. (For 2017 returns, that means you need to get this done before January 31, 2018.) You can do this online at <https://fire.irs.gov>. The first day to e-file information returns regarding 2017 transactions is January 23, 2018. You can register to file W-2s electronically online at the [Social Security Administration's website](http://www.socialsecurity.gov).

Most states also require that a copy of the information return be filed with them. Each jurisdiction has different requirements so we recommend that you check with your states Department of Revenue website for specifics. For you Oregon filers, any Form 1099-G, 1099-MISC, 1099-R, W-2G and W-2 issued by a

business registered to do business in the state of Oregon must *electronically* file a copy with [Oregon’s iWire website](#). Oregon will not accept paper filed returns. New in tax season 2018, there is no minimum threshold of forms prepared, instead all forms listed above must be electronically submitted. For more information go to [Oregon’s iWire website](#).

INFORMATION RETURN PENALTIES

Penalties of up to \$270 per return will be imposed for information returns as previously described under the following scenarios:

1. Failure to file an information return by the due date (including failure to file electronically if required) and/or
2. Failure to include all the information required to be shown on a return, or the inclusion of incorrect information on a return.

The due dates are dependent on how you file and to whom you are reporting. For most forms, the due date for these returns to be sent to recipients is January 31, 2018. Form 1099-MISC is now due to the IRS by January 31 when nonemployee compensation is being reported. All other information returns are due February 28 if filing by paper, or March 31 if filing electronically. The IRS may reduce the penalty if the failure is corrected shortly after the due date. The \$270 per-return penalty will be reduced to \$50 if corrected by March 30 or to \$100 if corrected by August 1 of the same year. The maximum penalties imposed on any one filer are divided into categories depending on when or if a corrected return was filed, and the size of the business (see table below). You are a “small business” for these purposes if your average annual gross receipts for the prior three years are five million dollars or less. While the penalties may seem small on a per return basis, they add up quickly and are generally very difficult to waive. These penalties are cumulative, subject to the maximum penalty in each category as shown on the following table (note that amounts have increased from prior year):

Maximum Penalty by Category	General Penalty Maximum	Small Business Penalty Maximum
Returns corrected by March 30	\$547,000	\$191,000
Returns corrected by August 1	\$1,641,000	\$547,000
Returns not corrected by August 1	\$3,282,500	\$1,094,000

The penalties are a whole different ball game for returns that were not filed due to intentional disregard of the rules. The penalty in those cases is \$540 per return, with an unlimited maximum penalty. It is your responsibility to prepare or engage someone to prepare all required information returns. The penalties, as you can see, are onerous. Take care to carefully analyze all payments made during the year so that you can prepare all the proper forms.

A FEW NOTES ON W-2s

- A. **Due Dates:** The due date for filing 2017 Form W-2, W-3 with the SSA is now January 31, 2018, whether you file using paper forms or electronically.
- B. **S Corporation owner-employees** who hold more than 2% of the company's stock aren't eligible for tax-privileged status on most fringe benefits. Other employees get their health insurance, anniversary gifts and other §125 plan benefits pre-tax, but those items (among others) need to be treated as ordinary wages for >2% shareholders. With the possible exception of medical benefits, these taxable-only-to-shareholders fringe benefits are also subject to Social Security and Medicare taxes.
- C. **Employer-provided vehicles** that are available for employee personal use are a taxable fringe benefit and treated as ordinary wages and subject to Social Security and Medicare taxes. While the IRS provides three methods to value the benefit of an employer-provided vehicle, the most pragmatic option is the lease valuation method. Contact us if you want to know more about the cents-per-mile or commuting valuation methods. The lease valuation method can be applied either on a calendar year basis, or on a November 1 – October 31 basis. Please use the worksheets in **Appendix A and B** (on pages 12-13) to calculate the taxable value of the vehicle to the employee. Note that employers are responsible for notifying each employee using a company-provided vehicle as to the substantiation requirements, policies, valuation and withholding methods adopted regarding the benefit of the employer-provided vehicle. The written notice should be provided by January 31 of the valuation year or 30 days after the employer supplies the car to the employee. The notice may be mailed to affected employees, provided in their paychecks or posted where they will most likely read it. The employer need not give second or repeat notices if the valuation method has not changed and notice has previously been provided.
- D. **Value of employer-sponsored health coverage** (including both employee and employer contributions) should be reported in box 12 under code DD. This is only mandatory for 2017 Form W-2s if you filed 250 or more Form W-2s for 2016; the IRS currently has no plans to extend this requirement to smaller employers. If this requirement applies to you, please see the IRS's documentation on their [website](#) or [contact us](#).
- E. **Additional Medicare tax withholding** is still required at 0.9% on W-2 box 5 wages over \$200,000. Employers are required to begin withholding this tax in the pay period in which the employee's wages subject to Medicare tax exceed the \$200,000 threshold.
- F. **Standard Mileage rates for 2018:** Beginning on January 1, 2018, the standard mileage rates for the use of a car (also vans, pickups or panel trucks) will be 54.5 cents for every mile of business travel driven (up 1 cent from the 2017 rate).

HEALTH INSURANCE INFORMATION REPORTING

As you may be aware, there is a penalty for individuals without qualified health insurance coverage as part of the individual income tax filings. In order to ensure it is collecting penalties from all the right people, the IRS has created a new information reporting system for health insurers and applicable large

employers (ALEs). This system was mandated by the Patient Protection and Affordable Care Act (ACA) of 2010.

You're an ALE if you have about 50 full-time employees; however, the rules for calculating employee counts are complex. If there's a month when you're paying 50 or more people during the year, these reporting requirements may apply to you. Please visit the link below or contact us if you need assistance in determining if you are an ALE. ALEs will report details of the health insurance offered and health insurance received to their employees via Forms 1094-C and 1095-C. Health insurance vendors will report to anyone with a policy not sponsored by an ALE via Forms 1094-B and 1095-B. The 1094 and 1095 series of forms are due along a timeline similar to W-2s. For more information on ALEs and the ACA, please [contact us](#) or visit the [ALE Info Center](#) on the IRS's website.

REPORT OF FOREIGN BANK AND FINANCIAL ACCOUNTS (FBAR) – FINCEN REPORT 114

If you have access to a foreign financial account or accounts (this includes bank accounts, brokerage accounts, retirement accounts, prepaid debit/credit cards purchased outside the US, and cash value life insurance) and the aggregate value of their highest balances was \$10,000 USD or more at any point during a calendar year, you must file an FBAR for that year. "Access" to an account means you owned it, owned part of it, were a trustee or custodian for it, or had signature authority over the account (even if multiple signatures were required to remove funds). It doesn't matter whether the account earned any income, the filing requirements are the same either way.

The FinCEN Report 114 (which replaced the form formerly known as TD F90-22.1) is an e-file ONLY form. The filing deadline is April 15 (April 17, 2018 due to the deadline falling on a weekend/IRS holiday), and you'll be able to extend the filing due date for up to six months. The FinCEN Report 114 is not administered directly by the IRS. The IRS instituted Form 8938, Statement of Specified Foreign Assets. Compared to the FinCEN Report 114, the Form 8938 has much higher filing thresholds and modestly less onerous failure-to-file penalties.

Speaking of penalties, there is a minimum penalty of \$10,000 per account each year you were required to file a Report 114/FBAR. If the IRS determines you knew you had a filing requirement and disregarded that filing requirement (a "willful violation"), they can assess a maximum penalty of the greater of \$100,000 per account or 50% of the value of the account at the due date of the unfiled FBAR and may pursue criminal charges. Criminal conviction can result in up to five years in prison and an additional fine of \$250,000 per violation. If you didn't report income related to your foreign financial account, you may be subject to additional penalties on the unpaid income tax of 20-40% of the tax due, and an additional penalty of 75% of the unpaid income tax if the failure to report the income was willful.

We can assist you in filing your FBARs; however, if you believe you may have failed to file a required FBAR for a prior year, we recommend that you contact an attorney with experience in this area as soon as possible. In January 2012, the IRS began an open-ended offshore voluntary disclosure program (ODVP). Due to the open-ended nature of the program, the terms are subject to change. Currently, the program does not abate

penalties as much as the 2009 and 2011 voluntary disclosure programs; however, it does offer relief from potential criminal charges and modestly reduces monetary penalties.

The IRS is now also offering alternatives to the OVDP noted above for those who meet certain criteria, such as little income tax due to the US on income from these unreported accounts. The IRS would classify those who qualify as “low risk”, and allows them a path to compliance with fewer years to report than under the OVDP. Also, they can come forward and be assessed lower, or even no penalties as long as they can demonstrate reasonable cause for not having previously disclosed. These programs are available to both US resident taxpayers and US taxpayers who live abroad, and are called “Streamlined OVDP”.

Visit the [IRS's FBAR page](#) for more information about FBARs, or contact us (see page 11).

MANDATORY WITHHOLDING ON PAYMENTS TO NON-US PERSONS AND NON-US ENTITIES

In conjunction with the increased media attention on US taxpayers with foreign accounts resulting from the Foreign Account Tax Compliance Act (FATCA), be aware that you may be required to withhold tax on most kinds of payments to non-US persons and non-US entities. Please be attentive to these requirements when working with remote contractors. In general, you are required to obtain one of the family of W-8 forms from foreign persons. On these forms, they'll either (1) attest to why they're exempt from withholding (usually because they promise to file a US tax return), (2) claim a lower treaty withholding rate and tell you what the rate is, or (3) they'll tell you to withhold as normal. Unless the payee tells you otherwise via a W-8 type form, you must withhold at 30% and remit the withholding to the IRS on a timeline similar to payroll tax withholding. The year-end reporting form for foreign withholding is Form 1042-S for most types of payments. For more details on who is subject to this requirement and which version of the W-8 you need from each payee, review [IRS Publication 515](#). Some foreign entities and persons are reluctant to furnish information about their US tax status. In order to avoid difficulties, we recommend you obtain the relevant Form W-8 prior to the payee commencing work on your behalf.

RECEIVING LOTS OF CASH? THERE'S A FORM FOR THAT.

Form 8300 must be filed within 15 days after a business receives more than \$10,000 in "cash" in a single transaction or a series of related transactions. "Cash" includes money orders, traveler's checks, cashier's checks, bitcoin and foreign currency as well as US coin and paper currency. Your depository institution will likely have this form on hand and assist you in filling it out when you bring the money to them.

OREGON ELECTRONIC FILING REQUIREMENTS

Copies of all W-2s must be electronically filed with Oregon via a third party such as ADP or Intuit, or directly via the state's iWire electronic filing platform. Starting tax year 2017, you're also required to e-file **all** copies of 1099-MISCs, 1099-Gs, 1099-Rs, and W-2Gs (there is no longer a minimum threshold). Electronic filing is available January 1, and filings are due either January 31, 2018 when filing W-2s and nonemployee compensation on Form 1099-MISC, or March 31, 2018 for filing Forms 1099-R, 1099-G, W-2G, and all other

1099-MISC. Luckily, Oregon's iWire system is free, doesn't require advance registration, and allows you to hand-key data. If you have more than a handful of forms to e-file, we recommend checking with your accounting software vendor to see if they offer e-filing of these forms with Oregon.

To avoid paying any penalties to Oregon, efile the required information return. Failure to file electronically may land you with assessed penalties of up to \$25,000.

OREGON NEW HIRE REPORTING REQUIREMENT

Employers are required to report all new hires (or rehires who have been gone more than 45 days) to the Oregon Department of Justice. The report can be made by remitting an Oregon New Hire Reporting Form no later than 20 days after the date of hire or rehire. You can obtain additional information about this reporting requirement, as well as the required reporting form, by visiting the [Oregon Department of Justice's Child Support Program web page](#). The link also provides information on optional electronic reporting to meet this requirement. Note that this report is not considered a normal payroll reporting function by some payroll services – if you outsource payroll, make sure this report is being filed on your behalf.

A BRIEF GUIDE TO WASHINGTON'S ECONOMIC NEXUS RULES

Basic Facts

Most businesses located or doing business in Washington may be subject to the Washington Business & Occupation (B&O) tax. The tax is due on gross income from business conducted in Washington. Retailers, wholesalers, manufacturers and service providers (to name a few) may be subject to B&O tax. You may have economic nexus in Washington, and therefore subject to the B&O tax, if in the prior calendar year:

- You are an individual who is a resident or domiciled in Washington,
- The business is organized or domiciled in Washington, or
- You have one of the following in Washington:
 - more than \$53,000 (up from \$50,000) of property in Washington
 - more than \$53,000 (up from \$50,000) of payroll in Washington
 - more than \$267,000 (up from \$250,000) of gross income in Washington, or
 - at least 25% of their total property, payroll or gross income in Washington

Businesses can apportion sales to customers out of Washington provided they can meet the above criteria in the non-Washington customer's state. Washington's current B&O tax rate is 1.5% of subject gross receipts for service businesses (0.471% for retailers and 0.484% for wholesalers and manufacturers). There are several other rates for specialized industries, reach out to us if you have questions. In addition to e-filing a return monthly or quarterly (depending on volume of gross receipts), businesses apportioning some income out of Washington must also file an annual apportionment reconciliation due October 31 of the following year.

Changes Effective September 1, 2015

On July 1, 2015, Washington enacted changes to their B&O tax in order to extend the reach of the nexus standards. Here's the scoop:

- Wholesale sales now fall under the auspices of Washington nexus (previously, wholesalers were excluded). Effective September 1, 2015 anyone with wholesale sales to Washington persons/entities/locations must perform the economic nexus test mentioned above to determine if they are subject to B&O tax.
 - Threshold amounts for the economic nexus testing are now tied to inflation.
 - Economic nexus testing now looks at the immediately preceding tax year to determine nexus. You no longer use your current year activity for testing. This means that a calendar year taxpayer should look at their 2016 property, payroll and gross income to determine their 2017 B&O tax nexus.
 - Washington has enacted a click-through nexus test for retail transactions. Out-of-state sellers meeting the following three items will be presumed to have physical nexus:
 - entered a contract with a Washington resident wherein
 - that contract provides a commission or other consideration be paid to the Washington resident for sales directed to the out-of-state seller by way of the internet or other remote means
 - if said sales exceed \$10,000 in a year under this type of agreement
- Washington is trying to capture taxes from online sales referrals such as Amazon's Marketplace, but the law is vague enough that it has a larger reach. Oh and by the way, this nexus presumption also applies to Washington's retail sales tax in addition to its B&O tax. Please [contact us](#) if you have concerns about whether this will affect you.*
- Royalty income has lost its preferential tax rate. Going forward it will be taxed at the same 1.5% as other income qualified for the B&O tax.
 - "Failure to pay" penalties have increased.

GET IN TOUCH WITH US

If you have any questions about what you've read, please don't hesitate to [contact us](#) or connect directly with your [Perkins & Co advisor](#).

Appendix A: 2016 Employer's Worksheet to Calculate Employee's Taxable Income
Resulting from Employer-Provided Vehicle

Employee's Name: _____

Lease Valuation Method

Fair market value of vehicle at date first available for personal use (Value must be determined at the beginning of every fifth year)		\$	_____
Annual lease value – see table on pg. 13		(A)	_____
Personal use %			
Total miles	_____		
Business miles	(_____)		
Personal miles	=====		
Personal/total miles		(B)	_____%
* Personal value of annual lease	(A) x (B) =	(C)	_____
If employer pays for fuel, multiply the number of personal miles driven by 5.5 cents-per-mile		(D)	_____
Total employee taxable income	(C) + (D) =	\$	_____

**If used less than entire year, multiply this amount by fraction which is number of days available divided by total days for the year. If vehicle not continuously available to employee for at least 30 days, a daily rate (four times the regular rate) is applied unless employer elects to treat periods of availability in 30 day increments during the year.*

Appendix B: Annual Lease Value Table

Automobile Fair Market Value	Annual Lease Value	Automobile Fair Market Value	Annual Lease Value
\$ 0 – 999	\$600	\$22,000 - 22,999	\$6,100
1,000 – 1,999	850	23,000 – 23,999	6,350
2,000 – 2,999	1,100	24,000 – 24,999	6,600
3,000 – 3,999	1,350	25,900 – 25,999	6,850
4,000 – 4,999	1,600	26,000 – 27,999	7,250
5,000 – 5,999	1,850	23,000 – 29,999	7,750
6,000 – 6,999	2,100	30,000 – 31,999	8,250
7,000 – 7,999	2,350	32,000 – 33,999	8,750
8,000 – 8,999	2,600	34,000 – 35,999	9,250
9,000 – 9,999	2,850	36,000 – 37,999	9,750
10,000 – 10,999	3,100	38,000 – 39,999	10,250
11,000 – 11,999	3,350	40,000 – 41,999	10,750
12,000 – 12,999	3,600	42,000 – 43,999	11,250
13,000 – 13,999	3,850	44,000 – 45,999	11,750
14,000 – 14,999	4,100	46,000 – 47,999	12,250
15,000 – 15,999	4,350	48,000 – 49,999	12,750
16,000 – 16,999	4,600	50,000 – 51,999	13,250
17,000 – 17,999	4,850	52,000 – 53,999	13,750
18,000 – 18,999	5,100	54,000 – 55,999	14,250
19,000 – 19,999	5,350	56,000 – 57,999	14,750
20,000 – 20,999	5,600	58,000 – 59,999	15,250
21,000 – 21,999	5,850		

For vehicles with a fair market value in excess of \$59,999, the Annual Lease value is equal to 25% of the vehicle's fair market value plus \$500.