

Keith M. Barfield, CITP.CPA
Donald W. Murphy, Jr., CPA, CGMA
John P. Shank, CPA, CGMA
Steven N. Smith, CPA
Myra S. Roberts, CPA, CVA, AEP®
David R. King, AAAPM
Derrel G. Curry, CPA, CGMA
Ross B. Mendheim, CPA



Daniel J. Brock, CPA, CVA
Cynthia A. Hudson, CPA
D. Scott Stevens, CPA, CGMA
Patrick Bowman, CPA
Henry M. Denbo, CPA
Karen J. Poist, CPA
G. William Lorimer, II, CPA

November 18, 2016

Re: Personal Use of Company Auto

According to IRS regulations, the personal usage of company cars by employees must be treated as taxable compensation income (and is subject to normal payroll taxes). In valuing this compensation, the general rule is the employee's income is equal to what it would cost in a regular transaction to lease a comparable vehicle for the time used for personal purposes.

If you would like for us to prepare this calculation for the dates January 1, 2016 through December 31, 2016, please sign this letter and fill out the attached form for each employee who had personal use of an automobile owned by the business. Fax the completed forms to the attention of Amber Lockwood at (205) 271-5450 or e-mail it as soon as possible to alockwood@bmss.com. In order for the calculations to be timely completed, all information must be returned no later than **Friday, December 9, 2016**.

If you have any questions, please give us a call at (205) 271-5450.

Sincerely,

A handwritten signature in black ink that reads "Barfield, Murphy, Shank & Smith, LLC". The signature is written in a cursive, flowing style.

Barfield, Murphy, Shank & Smith, LLC

PLEASE SIGN AND CHECK THE APPROPRIATE BOX

Signed: _____

Company Name: _____

Date: _____

- Perform the Calculations - We have used company vehicles for personal use, whether commuting to and from work or otherwise, and have completed the attached worksheet(s).
- Do Not Perform Calculations - we have not used company vehicles for personal use.
- Do Not Perform Calculations - we will perform the personal use of auto calculation and will adjust our payroll taxes without the assistance of Barfield, Murphy, Shank, & Smith, LLC





2016 PERSONAL USE OF AUTO WORKSHEET

1. Company _____
2. Employee _____
3. Description of Vehicle
Year _____
Make _____
Model _____
Total Mileage (If 2012 or older) _____
4. Number of Days Vehicle Was Available
for Use by Employee (out of 365) _____
5. Cost of Vehicle (if purchased in 2013-2016) _____
6. Miles Driven
Total _____
Personal _____
Business _____
7. Does employer pay for fuel? _____ YES _____ NO

