

CITY OF BETHLEHEM
VEHICLE USAGE POLICY
“ON-CALL VEHICLES”

The City of Bethlehem provides city owned vehicles to select employees for use in city business and for bona fide non-compensatory business reasons (i.e. the city requires you to commute in the “on-call” vehicle).

The city’s policy prohibits you from using the vehicle for personal purposes, other than for commuting and de minimis personal use (i.e. a stop for a personal errand on the way between a business meeting and your home). The city is required by the Internal Revenue Code to determine the value of the personal usage of the vehicle by the employee, and to either obtain reimbursement from the employee for the value, or include the value in the employee’s wages as a taxable fringe benefit. The Internal Revenue Code allows a minimum commute value for “on-call vehicles” if certain guidelines are met. In order to qualify for the minimum commute value of \$1.50 one way commute and/or \$3.00 each day the following guidelines must be met:

1. The City owns or leases the auto, provides it to one or more employees for use in City business;
2. The City requires the employee to commute in the auto for bona fide, non-compensatory business reasons;
3. The City has a written policy prohibiting employee use of the auto for personal purposes other than commuting and other than de minimis personal use (such as a stop for lunch between two business stops, or a stop for personal errand on the way home from a business stop);
4. Except for de minimis personal use, the employee does not in fact use the auto for personal purposes other than commuting. Certain vehicles are considered “qualified non-personal use vehicles” (i.e. Police, Fire and Ambulance, etc.) which do not require a computation of personal use value and/or commuting value. Since a police officer or fire officer is on call at all times, personal use is allowed within the Lehigh Valley Area. The markings (painted insignia or words) must make it readily apparent that the vehicle is a police or fire vehicle unless the vehicle is an unmarked police vehicle. A marking on a license plate is not a clear marking;
5. The employee required to use the vehicle for commuting is not a “control employee” of the City which is determined by the dollar amount of the salary. Any elected official is considered a “control employee” and therefore does not qualify for the minimum commute value. The actual value of the personal usage must be computed and used as the taxable fringe benefit for the “control employee”.