



To enhance mission performance, TSA is committed to promoting a culture founded on its values of Integrity, Innovation and Team Spirit.

1. **PURPOSE:** This directive provides TSA policy and procedures for accounting for taxable transportation fringe benefits provided by TSA to its employees, and applies to specific Secretary-approved, home-to-work transportation.
2. **SCOPE:** This directive applies to all TSA employees, and is not applicable to either mass transit subsidies or subsidized parking, and is not applicable to field-work travel from home to locations outside the local commuting area; i.e., temporary duty (TDY) travel.
3. **AUTHORITIES:**
 - A. Section 1344 of title 31, United States Code
 - B. The Internal Revenue Code, title 26, United States Code, and the Tax Regulations, title 26, Code of Federal Regulations (CFR)
 - C. [DHS MD 0530.1, Home-to-Work Transportation Controls](#)
 - D. [TSA MD 200.53, Motor Vehicle Fleet Management](#)
 - E. [TSA MD 200.59, Home-To-Work Transportation](#)
4. **DEFINITIONS:**
 - A. Control Employee: An employee whose total compensation (including, for example, locality pay) equals or exceeds the compensation paid to a Federal Government employee holding a position at Executive Level V¹.
 - B. Home: An employee's temporary or permanent domicile in the local commuting area where the employee performs his or her official duties.
 - C. Home-to-Work Determination Plan: A specific written plan approved by the Secretary of Homeland Security that authorizes the use of Government vehicles for specific individuals (or positions) for particular commuting purposes (e.g., field work or law enforcement).
 - D. Law Enforcement Officer: Also referred to as police officer, and for the purposes of this directive, one who is a full-time employee of a Governmental unit that is responsible for preventing or investigating crimes involving injury to persons or property, including catching or detaining persons for these crimes; who is further authorized by law to carry firearms, execute search warrants, and to make arrests; and who regularly carries a firearm, except when it is not possible to do so because of the requirements of undercover work.

¹ Refer to the Office of Personnel Management for the annual Federal compensation charts (see www.opm.gov).

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- E. Local Fleet Program Manager: A senior-level official designated by a Federal Security Director (including self-designation) responsible for the management of assigned Government vehicles.
- F. Transportation Fringe Benefit: For purposes of this directive, the use of a Government vehicle for home-to-work transportation.
- G. Vehicle: Any motorized wheeled vehicle manufactured primarily for use on public streets, roads and highways. A “Government vehicle” is either owned or leased by the Government.
- H. Work (Place of Employment): Any place within the accepted commuting area where an employee performs his or her official duties. In addition to the regular worksite, other locations, such as sites of meetings, conferences, inspections, etc., are also included.

5. RESPONSIBILITIES:

- A. TSA is responsible for reporting an employee’s taxable income to the Internal Revenue Service (IRS).
- B. The Chief Administrative Officer is responsible for designating an agency Fleet Manager responsible for:
 - (1) Ensuring that taxable transportation fringe benefits provided to TSA employees are properly accounted for; and
 - (2) Providing the Office of Human Capital (OHC) the information required to report the value of the taxable fringe benefit to the Internal Revenue Service (IRS) and to the employee receiving the benefit.
- C. OHC is responsible for coordinating with the applicable payroll services provider to ensure proper reporting of taxable transportation fringe benefits to the IRS and affected employees using IRS Form 1099-MISC, *Miscellaneous Income*.
- D. Employees are responsible for any tax liability that results from the receipt of taxable transportation fringe benefits.

6. POLICY:

- A. Taxable Transportation Fringe Benefits. When TSA provides home-to-work transportation to an employee, the value of that benefit may be credited to the employee as taxable income unless covered by exceptions outlined in Section 6B.
- B. Exceptions.
 - (1) The use of clearly marked police vehicles does not constitute a taxable transportation fringe benefit when the vehicle is required to be used for commuting by a police officer who, when not on a regular shift, is on call at all times. A police vehicle is clearly

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marked if, through painted insignia or words, it is readily apparent that the vehicle is a police vehicle. A marking on a license plate is not a clear marking for purposes of this paragraph.

- (2) The use of unmarked police vehicles does **not** constitute a taxable transportation fringe benefit when all of the following conditions are met:
- (a) The driver, regardless of title, is a law enforcement officer.
 - (b) The vehicle is not used for personal purposes other than commuting and incidental use as authorized by [TSA MD 200.53, *Motor Vehicle Fleet Management*](#) and applicable DHS directives.
 - (c) The use is incident to law enforcement functions, such as being able to report directly from home to a stakeout or surveillance site, or to an emergency situation.

C. **Income Attribution.** For employees other than control employees, the commuting value of the transportation fringe benefit is \$1.50 per one-way commute or \$3.00 per round trip.

D. **Control Employees.**

- (1) Must use a methodology that values taxable transportation fringe benefits at a much higher rate.
- (2) Must consult with their Local Fleet Program Manager *prior to* using a Government vehicle for home-to-work purposes.
- (3) Should also consult the Tax Regulations, including 26 CFR 1.61-21, *Taxation of Fringe Benefits*, and with their tax advisors.

E. **Prohibitions and Penalties.**

- (1) There are severe and mandatory penalties for driving a Government vehicle from home to work without proper authority.
- (2) Only individuals or those occupying positions specifically identified in writing by the Secretary of Homeland Security are eligible for home-to-work transportation.
- (3) Employees must carefully verify, in advance, that such use is permitted before using a Government vehicle for this purpose.

F. Local Fleet Program Managers may further delegate day-to-day operation of the local fleet to a Vehicle Control Officer (VCO).

7. PROCEDURES:

A. Local Fleet Program Managers:

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(1) Provide, the agency Fleet Manager, the following information on a quarterly basis for each employee who has received transportation fringe benefits:

- (a) Name
- (b) Social security number
- (c) Number of one-way commuting trips
- (d) Total value of the transportation fringe benefit

NOTE: This information will be provided no-later-than the 8th of January, April, July, and October, as applicable.

(2) Ensure that properly completed [TSA Forms 209, Motor Vehicle Utilization Records](#), are collected, reconciled with any reports of transportation fringe benefits received, and maintained to document home-to-work transportation use of the vehicles, subject to audits.

B. The agency Fleet Manager will consolidate the information, acquire additional information, as required, and forward the consolidated information to OHC.

C. OHC will timely forward the consolidated information to the payroll services provider for the issuance of appropriate IRS tax forms to all recipients of transportation fringe benefits and for reporting income to the IRS.

8. EFFECTIVE DATE AND IMPLEMENTATION: This directive is effective immediately upon signature.

APPROVAL



8/18/2008

David R. Nicholson, Assistant Administrator for
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Date

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