



Transportation
Security
Administration

OFFICE OF FINANCE AND ADMINISTRATION
Property Management

TSA MANAGEMENT DIRECTIVE No. 200.16
TAXABLE TRANSPORTATION FRINGE BENEFITS

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

REVISION: This directive supersedes TSA MD 200.16, *Taxable Transportation Fringe Benefits*, dated January 28, 2013.

SUMMARY OF CHANGES: Added various administrative updates for clarification throughout the directive.

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, but does not apply to either mass transit subsidies or subsidized parking. It is also not applicable to field-work travel from home to locations outside the local commuting area or to temporary duty (TDY) travel.
3. **AUTHORITIES:**
 - A. 26 U.S.C § 132, Certain Fringe Benefits
 - B. 31 U.S.C § 1344, Passenger Carrier Use
 - C. 49 U.S.C § 114, Law Enforcement Powers
 - D. 26 CFR § 1.132-9, Qualified Transportation Fringes
 - E. [DHS Directive 112-05, Home-to-Work Transportation Controls](#)
 - F. [TSA MD 200.53, Motor Vehicle Fleet Management](#)
 - G. [TSA MD 200.59, Home-To-Work Transportation](#)

4. **DEFINITIONS:**

- A. Agency Fleet Manager: A management official within the Property Management Division charged with oversight of TSA Fleet and Transportation Services Program operations at the agency level.

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- B. 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.
- C. Home: The primary or temporary place where an employee resides and from which the employee commutes to his/her place of work.
- D. 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) for home-to-work transportation in accordance with the requirements of DHS Directive 112.05.
- E. Law Enforcement Officer (LEO): For the purpose of this directive, a LEO is a TSA employee who is authorized by the TSA Assistant Secretary, or designee, to execute the authorities contained in 49 U.S.C. § 114(p). LEOs include Criminal Investigators in the Office of Inspection, Federal Air Marshals, Assistant Federal Security Directors for Law Enforcement, and Criminal Investigators and Transportation Security Specialists in the Office of Law Enforcement/Federal Air Marshal Service (OLE/FAMS).
- F. Local Fleet Program Manager: A senior-level official designated by a Management Official (including self-designation) responsible for the management of assigned Government vehicles.
- G. Management Official: The Assistant Secretary, Deputy Assistant Secretary, Assistant Administrator or equivalent, Regional Director, Special Agent in Charge, Supervisory Air Marshal in Charge, Federal Security Director, or designee responsible for directing the work of his/her employees to accomplish the mission of the organization.
- H. Transportation Fringe Benefit: For purposes of this directive, the use of a Government vehicle for home-to-work transportation.
- I. 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.
- J. Work (Place of Employment): Any location within the accepted commuting area, as determined by the agency for the locality involved, where an employee performs his/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.

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

C. The agency Fleet Manager is 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 IRS and to the employee receiving the benefit.

D. 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*.

E. Employees are responsible for any tax liability that results from the receipt of taxable transportation fringe benefits.

6. POLICY:

A. Taxable Transportation Fringe Benefit: 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 law enforcement vehicles does not constitute a taxable transportation fringe benefit when the vehicle is required to be used for commuting by a LEO who, when not on a regular shift, is on call at all times. A law enforcement vehicle is clearly marked if, through painted insignia or words, it is readily apparent that the vehicle is a law enforcement vehicle. A marking on a license plate is not a clear marking for purposes of this paragraph.
- (2) The use of unmarked law enforcement 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 LEO.
 - (b) The vehicle is not used for personal purposes other than commuting or other uses authorized in [TSA MD 200.53](#) and applicable DHS directives.
 - (c) The use is directly related 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 Federal Tax Regulations and 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 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.

7. PROCEDURES: Reference [Fleet and Transportation Services iShare page](#)

8. **APPROVAL AND EFFECTIVE DATE:** This policy is approved and effective the date of signature unless otherwise specified.

APPROVAL

Signed

May 5, 2015

Pat A Rose, Jr
Assistant Administrator for Finance and
Administration/Chief Financial Officer

Date

EFFECTIVE

Date

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