



## ***Personal Use of Company Owned Car***

If an automobile is owned by the company and it is used for personal use (such as commuting to and from your home, nights and weekends), the personal use of company car amount must be recorded on the owner's or employee's W-2 as a taxable fringe benefit.

To calculate the personal use of each business vehicle, please do the following:

- 1) Multiply the number of personal miles driven during the year by 54.50
- 2) Call your payroll service to record this amount on the owner/employee's W-2 during your regular payroll entry in November or December. Tell them this is a NON CASH taxable fringe benefit.

## ***Health Insurance Premiums Paid on Behalf of S-Corp Shareholders***

An S-Corp shareholder must add the health insurance premiums that the company paid on their behalf in the current year to their W-2. Shareholders can then deduct the cost of the premiums on their personal income tax returns.

To report your health insurance premiums on your W-2, please do the following:

- 1) Calculate the amount the company paid for the shareholder's health insurance premiums for the year.
- 2) Contact your payroll service provider during a regular payroll with the amount you calculated for your shareholder health insurance premiums to record this amount on your 2018 W-2(s). This is a NON CASH amount that is included in taxable wages but is not subject to FICA or Medicare taxes.