

TRAVEL RELATED TAX INFORMATION

_____ (Company) may provide you certain assignment related expenses potentially including reimbursement of your healthcare license cost, a cents-per-mile mileage reimbursement subject to a cap or other transportation costs, meal and incidental per diem, and Company provided lodging or a lodging stipend. The tax treatment of the mileage, transportation, meals and incidental per diem and Company provided lodging or lodging stipend is dependent upon your status regarding the following three primary tax rules:

1. TAX HOME

- a. The attached Tax Home Status Determination Worksheet is provided to assist you in determining whether you have a tax-qualified tax home as generally defined by the IRS in Revenue Ruling 73-529. Because of the critical nature of this determination, including the state income tax treatment, we encourage you to consult with a tax advisor.
- b. The attached Tax Home Representation Form must be completed and returned to the Company as soon as possible and any time you have a change in your tax home status or location. You should retain the Worksheet for your tax files.

2. ONE-YEAR ASSIGNMENT LIMIT

- a. If your assignment (including extensions) is expected to last more than one year, tax law dictates that the location of your assignment will be your tax home regardless of your tax-qualified tax home status. Then, any transportation mileage and cost, meal and incidental per diem, and lodging costs or stipends paid to you or on your behalf must be treated as taxable compensation. These travel reimbursements and costs become taxable as soon as it becomes known the assignment will last longer than one year. That is, once an assignment has been extended to the point where it will lapse over the one-year anniversary date, the travel expenses will become immediately taxable with the execution of that assignment extension agreement, not just on the 366th day of the extended contract.

3. COMMUTING

- a. If you are working an assignment within typical commuting distance from your tax-qualified tax home, then any transportation mileage and costs, meal and incidental per diem, and lodging costs or stipends paid to you or on your behalf must be treated as taxable compensation.
Commuting is generally referred to as within the worker's metropolitan area or broader rural geographic area. It is generally the common-practice, reasonable daily commute for the area. An undocumented, one-way commuting rule of thumb might be as long as 50 miles or 2 hours in an urban or suburban area and 100 miles or 1.5 hours for a rural area.

The information contained herein is general in nature and based on authorities that are subject to change. Tax information contained in this document is not intended to be used, and cannot be used, by any person as a basis for avoiding tax penalties that may be

imposed by the IRS or any state. We recommend each taxpayer seek advice based on their circumstances from an independent tax advisor.

Tax Home Status Determination Worksheet

(To be maintained with your personal tax records)

This worksheet is provided to assist you in determining whether you have a tax-qualified tax home as defined by the IRS in Revenue Ruling 73-529, and therefore determine the tax status of the travel costs and/or allowances provided you or paid on your behalf while on assignment. Because of the critical nature of this determination, we encourage you to consult with a tax advisor. This worksheet is for your personal use and should not be returned to the Company.

Please check appropriate boxes below:

YES <input type="checkbox"/> NO <input type="checkbox"/>	<p>1. Do you perform a portion of your business or work in the vicinity of your tax-qualified tax home and is such work performed for at least 30 consecutive days during every two-year period? Many travelers will not meet this requirement, as they do not have regular work or business in the tax home area.</p>
YES <input type="checkbox"/> NO <input type="checkbox"/>	<p>2. Are you duplicating living expenses (mortgage, rent, utilities, etc.) to maintain the tax-qualified tax home while away from home on assignment? Limited IRS guidance provided, but as a minimum the duplicate expenses to maintain the tax home should equal or exceed \$250 per month.</p>
YES <input type="checkbox"/> NO <input type="checkbox"/>	<p>3. Do you meet one or more of the following criteria regarding your tax-qualified tax home?</p> <p>a. Have a member of your family (spouse, child, or parent) residing with you in the tax-qualified tax home? YES <input type="checkbox"/> NO <input type="checkbox"/></p> <p>b. Use the tax - qualified tax home frequently for lodging? Limited IRS guidance provided, but the return home trips should be more than a few times a year and one or more of the trips should be much longer than a long weekend. YES <input type="checkbox"/> NO <input type="checkbox"/></p> <p>c. The tax - qualified tax home represents a historical place of lodging? This means the tax home vicinity is where you grew up, went to college, or have recent and long-term ties to the community. YES <input type="checkbox"/> NO <input type="checkbox"/></p>

IF you responded **YES** to all **three** questions above, then you have a tax-qualified tax home and should check **Box A** on the **Tax Home Representation Form**.

IF you responded **NO** to two or more of the **three** questions above, then you do not have a tax-qualified tax home and must check **Box B** on the **Tax Home Representation Form**.

IF you responded **YES** to two of the **three** questions, then you must consider the following potential “facts and circumstances” attributes to determine whether you have a tax-qualified tax home. All questions do not necessarily require a YES answer to secure a favorable result, but certainly the majority should have a YES response, and the first four questions are of particular importance.

YES <input type="checkbox"/> NO <input type="checkbox"/>	Is the tax home address your address of record and from which you file your income tax returns?
YES <input type="checkbox"/> NO <input type="checkbox"/>	Do you have telephone service at the tax home or is it your primary mailing address?
YES <input type="checkbox"/> NO <input type="checkbox"/>	Are your license plates and driver's license registered with your tax home city?
YES <input type="checkbox"/> NO <input type="checkbox"/>	Is the tax home address the address of record for your professional license(s)?
YES <input type="checkbox"/> NO <input type="checkbox"/>	Is your banking relationship with a bank in your tax home vicinity?
YES <input type="checkbox"/> NO <input type="checkbox"/>	Are you registered to vote (and actually vote) at your tax home precinct?
YES <input type="checkbox"/> NO <input type="checkbox"/>	Do you have church, club, or other associations in your tax home vicinity?