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## ***Full Time Salesperson Demonstrator Vehicle Policy***

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Full-time automobile salespersons at \_\_\_\_\_ may be provided with the use of a demonstration vehicle. We want you to understand the restrictions on use of demonstration vehicles and how full-time salespeople who use demonstration vehicles will be taxed on that use.

### ***Restrictions on Use of Demonstrator Vehicles***

- The demonstration vehicle must be available for test drives by customers during the normal working hours of the employee to whom the vehicle is assigned. Personal possessions may not be stored in the vehicle. Any personal possessions must be removed by the beginning of normal working hours.
- The demonstrator vehicle is provided so that employees can become familiar with the features of the vehicles we sell. Only the employee to whom the vehicle is assigned may use the vehicle outside of normal working hours. It may not be used by family, friends, or neighbors.
- The demonstrator vehicle is part of our inventory and must be available for sale to customers. It may not be used for vacation travel.

### ***Tax Treatment of Use of Demonstrator Vehicles***

- Any full-time automobile salesperson who meets all of the above requirements will have the daily inclusion amount from the table below included in wages for each day on which the salesperson was assigned a demonstrator vehicle. Income tax, Social Security tax, and Medicare tax on the amount will be withheld from other wages owed to the salesperson.

<b>Value of the Demonstrator Automobile</b>	<b>Daily Inclusion Amount</b>
\$0-14,999	\$3
\$15,000-\$29,000	\$6
\$30,000-\$44,999	\$9
\$45,000-\$59,999	\$13
\$60,000-\$74,999	\$17
\$75,000 and above	\$21

### ***Received and Acknowledged By:***

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This demonstrator vehicle policy has been made available to you by Downey & Company, LLP. For more insights on the state of the dealer industry, please e-mail Paul McGovern at [pmcgovern@downeycocpa.com](mailto:pmcgovern@downeycocpa.com) or visit our web site at [www.downeycocpa.com](http://www.downeycocpa.com).