

STATE OF CALIFORNIA

KATHLEEN CONNELL,  
CONTROLLER OF CALIFORNIA

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OFFICE OF STATE CONTROLLER  
PERSONNEL/PAYROLL SERVICES DIVISION  
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P.O. Box 942850  
Sacramento, CA 94250-5878

Date: April 22, 1999

PAYROLL LETTER # 99-010  
CSU ONLY

To: All Campuses in the Uniform State Payroll System

From: Ralph Zentner, Chief  
Personnel/Payroll Operations Bureau

Re: RIDESHARE INCENTIVE AWARD PROGRAM

This Payroll Letter announces, effective immediately, the exclusion of California State University's (CSU) Rideshare Incentive Award Program from California wage reporting and Personal Income Tax (PIT) withholding.

#### GENERAL INFORMATION

This office just completed a review of the taxability of CSU's Rideshare Incentive Awards Program for California PIT purposes. We requested and received a Franchise Tax Board Private Information Memorandum which confirmed that these incentives are non-taxable under California Revenue and Taxation Code Section 17149. Rideshare Incentives, however, remain subject to Federal taxation.

As a result, effective immediately:

Rideshare Incentives reported to the State Controller's Office between April 12, 1999 and May 10, 1999 will be amended to preclude California PIT withholding.

Reporting for Rideshare Incentives after May 10, 1999 must follow the reporting instructions listed below so that California PIT is not withheld.

The State Controller's Office will reduce employees' 1999 California wage amounts for the Rideshare Incentive amounts previously reported. Employees' Forms W-2 for 1999 (and thereafter) will not include Rideshare Incentives in the "State wages, tips, etc" box. Campuses need NOT submit wage correction documents.

#### REPORTING INSTRUCTIONS

Continue to report Rideshare Incentives amounts monthly to the State Controllers Office as these amounts are still subject to Federal wage reporting and tax withholding.

When reporting Rideshare amounts on the Form STD. 676V, leave the State Code (Column 8) BLANK.

#### CONTACTS

Revisions to the Payroll Procedures Manual are forthcoming. Please use the following contact for requesting assistance:

#### Rideshare Reporting Requirements

Jim Fiack  
Tax Support Section

(916) 322-8128

RZ:JF/TSS