

DEPARTMENT: Board BY: Supv. Punte PHONE: 966-3222

RECOMMENDED ACTION AND JUSTIFICATION:

Consider increasing the travel mileage reimbursement rate from the present 25 cents a mile to the 27.5 cents which is allowed for tax purposes after January 1, 1991, by the Internal Revenue Service (see the attachment), with the increase for County purposes to become effective upon adoption.

BACKGROUND AND HISTORY OF BOARD ACTIONS:

The Board's present adopted rate is 25 cents a mile, and the Personnel Policies and Procedures Handbook was amended accordingly in August, 1987.

LIST ALTERNATIVES AND CONSEQUENCES OF NEGATIVE ACTION:

- 1) Approve increase, which would have an impact on the County budget, or miles could be decreased accordingly.
- 2) Do not approve and no change would be made.
- 3) Approve another rate.

COSTS: () Not Applicable	SPECIAL INSTRUCTIONS:
A. Budgeted current FY \$ _____	List the attachments and number
B. Total anticipated costs \$ _____	the pages consecutively:
C. Required Add'l funding \$ _____	_____
D. Source: _____	_____

SOURCE: () 4/5ths Vote Required	_____
A. Internal transfers \$ _____	_____
B. Unanticipated revenues \$ _____	_____
C. Reserve for contingency \$ _____	_____
D. Description: _____	_____
Balance in Reserve for Contingencies,	
if approved: \$ _____	

CLERK'S USE ONLY:
 Res. No.: 91-114
 Ord. No.: _____
 Vote - Ayes: 4 Noes: Erickson
 Absent: _____ Abstained: _____
 Approved () Denied
 (X) Minute Order Attached

ADMINISTRATIVE OFFICER'S RECOMMENDATION:
 This item on agenda as:
 Recommended
 Not Recommended
 For Policy Determination
 Submitted with Comment
 Returned for Further Action

The foregoing instrument is a correct copy of the original on file in this office.

Date: _____
ATTEST: MARGIE WILLIAMS
 Clerk of the Board of Supervisors
 County of Mariposa, State of CA
 By: _____
 Deputy

Comment: _____

 A.O. Initials: [Signature]

Mariposa County Board of Supervisors

DISTRICT 1 ARTHUR G. BAGGETT, JR.
DISTRICT 2 SALLY S. PUNTE
DISTRICT 3 ERIC J. ERICKSON
DISTRICT 4 GEORGE P. RADANOVICH
DISTRICT 5 GERTRUDE R. TABER



JOHN W. McCAMMAN
Administrative Officer

MARGIE WILLIAMS
Clerk of the Board

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MARIPOSA COUNTY BOARD OF SUPERVISORS

MINUTE ORDER

TO: JOHN MCCAMMAN, ADMINISTRATIVE OFFICER
FROM: MARGIE WILLIAMS, CLERK OF THE BOARD *MW*
RE: TRAVEL MILEAGE RATE

THE BOARD OF SUPERVISORS OF MARIPOSA COUNTY, CALIFORNIA

ADOPTED THIS Order on March 12, 1991

ACTION AND VOTE:

Consideration of Increasing Travel Mileage Rate Commensurate with Internal Revenue's Standard Rate Allowance of 27.5 cents (Punte)

BOARD ACTION: (M)Punte, (S)Taber, Board adopted travel mileage rate allowance of 27.5 cents per mile for the County, effective July 1, 1991/Ayes: Baggett, Punte, Radanovich, Taber; Noes: Erickson. Res. 91-114

cc: File

Self-Employment Taxes

Maximum net earnings and tax rates for self-employment taxes. The 1990 tax rate for self-employment taxes is 15.3% on net earnings up to \$51,300. The 15.3% tax rate is a total of 12.4% for social security (old-age, survivors, and disability insurance) and 2.9% for Medicare (hospital insurance). In 1991, the tax rate will remain at 15.3%, but the maximum net earnings subject to the social security portion (12.4%) increase to \$53,400, while the maximum net earnings subject to the Medicare portion (2.9%) increase to \$125,000.

The 2% credit for 1989 and previous years has been replaced by the following two deductions:

- A deduction of half your self-employment tax for the year is taken as a business expense in figuring adjusted gross income. This is an income tax deduction only, and you deduct it on line 25 of your 1990 Form 1040.
- A deduction of 7.65% of your net earnings from self-employment is taken when figuring your self-employment tax. This deduction is allowed only in figuring self-employment tax, and you figure it on line 4 of your 1990 Schedule SE.

Social Security Taxes

Wage maximums and tax rates for social security taxes. The 1990 tax rate for social security taxes is 7.65% for both the employee and the employer (a total of 15.3%) on wages up to \$51,300. The 7.65% tax is a total of 6.2% for social security (old-age, survivors, and disability insurance) and 1.45% for Medicare (hospital insurance). In 1991 the tax rate will remain at 7.65%, but the maximum wages subject to the social security portion (6.2%) increase to \$53,400, while the maximum wages subject to the Medicare portion (1.45%) increase to \$125,000.

Exemption for nonministerial employees of churches and church-controlled nonprofit organizations. Beginning with 1990, you may be able to choose to be exempt from social security taxes, including the self-employment (SECA) tax. You can make this choice if you are a member of a religious sect or division opposed to social security, and the church or qualified church-controlled nonprofit division for which you work chose for religious reasons not to pay the employer's portion of the social security tax on wages. You can make this choice by filing Form 4029, *Application for Exemption From Social Security Taxes and Waiver of Benefits*. See Publication 517 *Social Security for Members of the Clergy and Religious Workers*.

State and local government employees. For services after July 1, 1991, state and local government workers who are not covered by social security under a state voluntary agreement with the Secretary of Health and Human Services or are not participants in a retirement system in connection with their employment for the state

or local government are subject to the social security tax and Medicare tax.

This does not apply to:

- 1) Individuals hired to relieve unemployment,
- 2) Patients or inmates working in hospitals, homes, or other institutions,
- 3) Temporary workers hired for fire, snow, flood, or similar emergencies,
- 4) Election officials and workers paid less than \$100 in a calendar year, or
- 5) Employees paid on a fee basis who are subject to the self-employment tax.

Business Expenses

Health insurance for self-employed persons. The 25% deduction for the health insurance costs of self-employed individuals has been extended through tax years beginning before January 1, 1992. In addition, the special rule prorating the deduction for tax years beginning in 1990 is repealed.

Standard mileage rate. The standard mileage rate for 1990 is 26 cents per mile for each mile of business use. You are not subject to the 15,000 mile annual limit which applied in prior years. See *Standard Mileage Rate* in Publication 917, *Business Use of a Car*.

For transportation expenses paid or incurred on or after January 1, 1991, the standard mileage rate is 27.5 cents per mile for each mile of business use. The 1991 special standard mileage rate for rural mail carriers is 41.25 cents per mile.

Limit on deduction for business vehicles. The total section 179 deduction and depreciation you can take on a vehicle you use in your business and first place in service in 1990 is \$2,660. Your depreciation cannot exceed \$4,200 for the second year of recovery, \$2,550 for the third year of recovery, and \$1,475 for each later tax year. See *Depreciation Limits* in Publication 917, *Business Use of a Car*.

Cellular telephones. Beginning in 1990, you must use special rules to figure your depreciation deduction for a cellular telephone you used in a trade or business or in your work as an employee. For more information, see *Home Computers and Cellular Telephones* in Publication 529, *Miscellaneous Deductions*.

Like-Kind Exchanges

Like-kind exchanges between related parties. Generally, if you trade business or investment property for other business or investment property of a like kind, no gain or loss is recognized. This rule applies to exchanges of property between related parties.

However, if either related party disposes of the like-kind property within 2 years after the exchange, the gain or loss on the exchange must be recognized. Each related party must report any gain or loss not recognized on the original exchange on the tax return filed for the year in which the later disposition occurs. This rule