Parking benefits include, but are not limited to, the portion of the following costs allocable to the organization’s parking facilities that were paid or incurred from January 1, 2018 forward:

- The excess of A over B is the taxable amount reported on Line 34 of Form 990-T (see footnotes).

**FOOTNOTES**

Parking facility includes indoor and outdoor garages and other structures, as well as parking lots and other areas, where employees may park on or near the business premises of the employer.

Parking benefits treated as compensation - in certain scenarios, the calculation of parking benefits exceeding a certain threshold (80% per month per employee for 2018) is required. For additional guidance on how to determine the value of parking benefits, please refer to the IRS Notice 2018-98, which provides a method for calculating the value of parking benefits in scenarios where the nonprofit is not paying a third party for parking.

The organization’s total parking expenses (see footnotes) would generally be reported on Line 34 of Form 990-T (together with any additional amount allocable to the unreserved spaces used by employees depending upon further analysis and related conclusions in Boxes 13 or 15).

Depending upon the organization’s specific fact pattern, removing reserved employee parking could provide a potential reduction in the organization’s tax liability for future years.

The organization should consult with knowledgeable tax counsel to determine whether reducing or eliminating employee reserved parking would reduce the organization’s tax liability.

If the organization removed its reserved employee parking, the parking facility would continue to be treated exclusively by employees, by the tax treatment would not be impacted by removal of the reserved employee parking.

The resulting amount is added to the expenses allocable to reserved employee parking (calculated in Box 11). Subtract from this amount any employee parking benefits treated as taxable compensation (see footnote).

The resulting amount is reported on Line 34 of Form 990-T (see footnotes).

The resulting amount would be reported on Line 34 of Form 990-T.

The organization’s “total parking expenses” (see footnotes) by the ratio of employee parking provided via parking facilities owned by the organization to the total parking spaces.

The organization should consult with knowledgeable tax counsel regarding the applicability of the nonprofit parking tax to the organization’s employee parking.

The resulting amount is less any employee parking benefits treated as taxable compensation.

Multiply the “total parking expenses” (see footnote) by the ratio of spaces used by employees to the total parking spaces. The resulting amount would be reported on Line 34 of Form 990-T (see footnote).

The excess of A over B is the taxable amount reported on Line 34 of Form 990-T (see footnote).}

**GENERAL NOTES FOR USING THE FLOWCHART TOOL**

The contents of this publication do not constitute legal, financial, accounting, or any other type of professional advice.

For professional advice regarding the subject matter addressed herein, the services of a competent professional should be obtained.

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