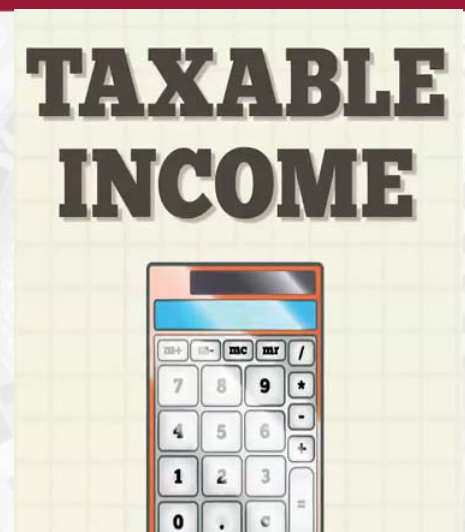


# Analyzing Fringe Benefits

Joseph Irvine, Ohio State University  
Donald E. “Dee” Rich, Jr., KPMG  
Julia Shanahan, Columbia University

Starting Point – everything is taxable income!

- “[E]xcept as otherwise provided . . . gross income includes compensation for services, including fees, commissions, fringe benefits, and similar items.”



Treas. Reg. § 1.61-21(a)(1)

# IRS Position?



3

# IRS Position

## Taxable income

- What is taxable income?
- Almost all forms of income are taxable

4

# Wages

- “[T]he term ‘wages’ means all remuneration for employment, including the cash value of all remuneration (including benefits) paid in any medium other than cash.” Code § 3121(a); see also § 3401(a).
- The employer must generally withhold taxes by the end of the calendar quarter in which the benefit is provided. Treas. Reg. § 31.3501(a)-1T(Q/A-1).

5

# Employee “Gifts”



*Comr. v. Duberstein*, 363 U.S. 278 (1960)  
IRC 102(c)(1)

6

Find the full text of this and thousands of other resources from leading experts in dozens of legal practice areas in the [UT Law CLE eLibrary \(utcle.org/elibrary\)](http://utcle.org/elibrary)

Title search: Analyzing Fringe Benefits

Also available as part of the eCourse

[2018 Higher Education Taxation eConference](#)

First appeared as part of the conference materials for the  
6<sup>th</sup> Annual Higher Education Taxation Institute session  
"Analyzing Fringe Benefits"