

Wise Medical Staffing, Inc.

Tax Home Determination

I have completed the *Tax Home Determination* worksheet, have read and understand the *One-Year Assignment Limitation Rule* attached, and now make the following good faith determination (*please check the more appropriate box*):

A. I maintain a permanent tax home and the address of that tax home is (physical address):

(Name)

(Street Address)

(City/State/Zip)

And, by accepting employment for this assignment, I represent that by checking Box A, I will not have worked by the end of the assignment within the general area of the assignment (including assignments with other agencies) for more than one year without a significant break from the assignment area. Acceptance of any subsequent assignments and extensions shall be considered affirmation of this representation.

I also understand that as generally required by state tax law (except for certain states with reciprocity), state income taxes will be withheld from my taxable compensation based upon the state of my assignment. In some cases, partial withholding will also be required for my tax home state and for a few states, both state taxes must be fully withheld.

OR

B. I do not maintain a permanent tax home or the pending assignment will result in me exceeding the One-Year Assignment Limit. As such, I understand the IRS considers my tax home the area of my temporary assignment. I understand that without a permanent tax home or failing the one-year limitation, all lodging costs or allowances, mileage reimbursements and other transportation costs, and meal & incidental per diem benefits paid me or provided on my behalf will be treated as taxable compensation reported on Form W-2 subject to applicable payroll taxes. I further understand that only the state income tax for the assignment state will be withheld.

I understand that I will be required to make this representation periodically. If my permanent tax home or one year limit status changes, I must notify the Company immediately. By signing below, I acknowledge that I have been advised by Wise Medical Staffing that I should consult with a tax advisor regarding this form and the associated tax treatment of my reimbursements while employed by Wise Medical Staffing.

Print Name

Date

Signature

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This Tax Home Determination worksheet is provided to assist you in determining whether you have a permanent tax home as generally defined by the IRS in Revenue Ruling 73-529, and therefore determine the tax status of the travel costs and/or allowances provided you or paid on your behalf while on assignment. Because of the critical nature of this determination, we encourage you to consult with a tax advisor.

Please check appropriate boxes below:

YES NO 1. Do you perform a portion of your business or work in the vicinity of your permanent tax home? *Must represent meaningful employment each year.*

YES NO 2. Are you duplicating living expenses (mortgage, rent, utilities, etc.) to maintain the permanent tax home while away from home on assignment? *Limited IRS guidance provided, but as a minimum the duplicate expenses to maintain the tax home should exceed \$275 per month.*

YES NO 3. Do you meet one or more of the following criteria regarding your permanent tax home?

- a. Have a member of your family (spouse, child, or parent) residing with you in the permanent tax home? YES NO
- b. Use the permanent tax home frequently for lodging? *Limited IRS guidance provided, but the return home trips should be more than a few times a year and one or more of the trips should be much longer than a long weekend.* YES NO
- c. The permanent tax home represents a historical place of lodging? *This means the tax home vicinity is where you grew up, went to college, or have recent and long-term ties to the community.* YES NO

IF you responded YES to all three questions above, then you have a permanent tax home and should check **Box A** on the Tax Home Representation Form.

IF you responded NO to two or more of the three questions above, then you do not have a permanent tax home and must check **Box B** on the Tax Home Representation Form.

IF you responded YES to two of the three questions, then you must consider the following potential “facts and circumstances” attributes to determine whether you have a permanent tax home. All questions do not necessarily require a YES answer to secure a favorable result, but the majority should have a YES response, and the first four questions are of particular importance.

YES NO ● Is the tax home address your address of record for your income tax returns?

YES NO ● Are utility services registered at the tax home and is it your primary mailing address?

YES NO ● Are your auto license plates and driver’s license registered with your tax home county?

YES NO ● Is the tax home address your address of record for your professional license(s)?

YES NO ● Is your banking relationship with a bank in your tax home vicinity?

YES NO ● Are you registered to vote (and actually vote) at your tax home precinct?

YES NO ● Do you have church, club, or other associations in your tax home vicinity?

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One-Year Assignment Limit

If your assignment (including extensions) is expected to last more than one year, tax law dictates that the location of your assignment will be your tax home regardless of your permanent tax home status. Then, all transportation, meal, and lodging allowances paid to you or paid on your behalf must be treated as taxable compensation to you. These travel allowances and costs become taxable as soon as it becomes known the assignment will last longer than one year. That is, once an assignment has been extended to the point where it will lapse over the one-year anniversary date, the travel expenses will become immediately taxable with the execution of the extension, not on the 366th day of the extended contract.

Commuting

If you are working on assignment within typical commuting distance from your permanent tax home, then any transportation, lodging, and meal allowances provided must be treated as taxable compensation. Commuting is generally referred to as within the worker's metropolitan area or broader rural geographic area. It is generally the common-practice, reasonable daily commute for the area. An undocumented, one-way commuting rule of thumb might be as long as 50 miles or 2 hours in an urban or suburban area and 60 miles or 1 hour for a rural area.

The information contained herein is general in nature and based on authorities that are subject to change.

Tax information contained in this document is not intended to be used, and cannot be used, by any person as a basis for avoiding tax penalties that may be imposed by the IRS or any state. We recommend each taxpayer seek advice based on their circumstances from an independent tax advisor.

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I understand in order to receive a meal and housing allowance tax-free, I must meet the following IRS rules:

1. I have a Tax Home, as defined by the IRS: Tax Home and I have submitted the completed Tax Home Declaration form.
2. Temporary Assignment: as defined by IRS. Temporary Assignment vs. Indefinite Assignment
3. One-year limitation: refer to IRS Topic 11- Business Travel Expenses
4. Incur Lodging expenses for temporary overnight stays, because my assignment requires me to be away from my Tax Home. *For this purpose, "lodging expenses" might include house or house sharing rent, apartment or apartment sharing rent, motel/extended stay costs and utilities (gas, electric, and water). Personal expenses for items such as cable TV, telephone, internet service, etc. do not qualify as lodging expenses for this determination.*

I represent that I am or will be incurring temporary lodging and meal expenses while I am working at the assignment in _____ (city & state) that starts _____ (date) while away from my regular Tax Home.

I acknowledge and understand that Wise Medical Staffing is **informing me to consult with a tax advisor** in completing this Representation form and the Tax Home Declaration form. I understand that if I provide an incorrect statement I may subject myself to federal, state and local taxes, penalties, and interest for which I take full responsibility. I further understand that I am responsible for notifying Wise Medical Staffing immediately in writing should my situation or Tax Home status change, and I am no longer eligible for Tax Home exemption.

Signature

Date

Printed Name

Completed Form must be returned with signed Assignment Agreement for housing allowances to be considered non-taxable. If completed form is received after any allowances have been paid, no retroactive payroll tax withholding adjustments will be made.