

Market Segment Specialization Program



Tour Bus Industry

The taxpayer names and addresses shown in this publication are hypothetical. They were chosen at random from a list of names of American colleges and universities as shown in Webster's Dictionary or from a list of names of counties in the United States as listed in the United States Government Printing Office Style Manual.

This material was designed specifically for training purposes only. Under no circumstances should the contents be used or cited as authority for setting or sustaining a technical position.



Department of the Treasury
Internal Revenue Service

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INTRODUCTION

NEWS RELEASE

There was a news release prepared and issued by the Public Affairs Officer in San Francisco. This was released in October 1992 after a joint meeting of IRS and the Northern California Concierge Association and their legal counsel. The news release follows.

San Francisco -- The Internal Revenue Service has discovered a major pocket of non-compliance with the tax laws involving payments made to hotel employees who book tourist services. Millions of dollars in payments that should have been reported to the Internal Revenue Service over the last few years have gone unreported. We believe that most of the hotel employees who received these payments failed to report them on their income tax returns.

While conducting a routine check of the financial records of a tour bus company in San Francisco, IRS agents discovered more than \$1.2 million in "commissions" paid to hotel workers who booked guests from their respective hotels on tours with the tour bus company. The \$1.2 million was paid during a single year. A News Release was issued at the request of the tour bus company as a notice to all companies in the industry of IRS' compliance efforts and to inform payees of their obligations under those efforts.

On examination of other companies in the tour bus industry, IRS agents determined that virtually none of the payments made by these companies had been reported to the IRS as required. They also learned that many of the hotel workers specifically requested that their commissions be paid in cash. One owner told IRS agents, "If I told a bellman or a concierge that I wanted his or her Social Security Number so I could report the commission I pay them to the IRS, they would never call me again. They would just call one of my competitors."

Tour bus companies are now facing severe penalties for failing to file the required 1099 forms. Each company is facing a penalty of \$50 (\$100 if failure was intentional) for each form that should have been filed, as well as 31% of the amount of the commission payments made. The 31% is called backup withholding. Backup withholding is required on payments where the company does not identify the recipient of the payments by taxpayer identification number (TIN) (usually the Social Security Number). To avoid backup withholding tour bus companies will have to contact hotel employees to whom they made payments to obtain their name, address and Social Security Number. The companies will then have to file delinquent 1099 forms with the IRS if they want to avoid the penalty.

Hotel employees who are contacted by the tour bus companies will be required to provide their names and accurate taxpayer identification numbers. Those hotel employees who fail to do so will be subject to penalties, and payments to them will be subject to backup withholding.

In addition to the tour bus industry, IRS has also determined that similar non-compliance with the 1099 filing requirements has occurred in the airport shuttle, limousine, car rental, entertainment agent, and several other industries who routinely pay commissions to hotel employees.

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TOUR BUS INDUSTRY OVERVIEW

BACKGROUND

The tour bus industry includes a variety of transportation companies, including charter tours, scheduled daily tours, airport shuttle, limousine service and car rental agencies. Most of these companies are licensed by the city in which they operate and controlled by the Public Utilities Commission or a similar governing body. There are both national and local companies. In one district we found that many of these operators are paying commissions for referrals or reservations made by hotel concierges and bell staff. Often commissions are paid in cash and no Form 1099 is issued. Management of one major national franchise indicated that paying cash commissions and not issuing Form 1099 is customary throughout the United States.

The tour industry maintains the practice of paying commissions to hotel employees, or others, in order to encourage customer referrals. The competition for customers is very intense within the tour bus industry, with the majority of customers being hotel guests.

Commissions are usually paid in either of two ways:

1. The seller of the transportation service collects a deposit of the fare and gives the guest a ticket. The guest pays the bus driver the balance of the ticket price. The seller keeps the deposit as a "commission" for selling the transportation service; or
2. The seller of the transportation service gives the guest a ticket indicating the seller's name. At the end of the month a company representative visits each hotel to pay commissions.

In either case, a Form 1099 is seldom issued. (See Exhibit 1 for more detailed information.) A check of 50 hotel concierge and bell staff showed that only one employee had reported commission or tip income.

When we contacted some of the major tour bus companies, they admitted to the practice of paying cash commissions and not filing Forms 1099, but stated that if they issued Form 1099, the hotel staff would refer their guests to other tour bus/airport shuttle companies that would not issue a Form 1099. Company representatives said they wanted to comply, but they requested the Internal Revenue Service take the lead in contacting the hotel staffs and stated that it would only be fair for the IRS to audit the entire industry to ensure no individual company would suffer from being in compliance.

POTENTIAL INTERNAL REVENUE CODE VIOLATIONS

Tour bus industry audits involved the examination of (1) transportation companies suspected of paying commissions; and (2) the individuals or hotels receiving commissions.

Payers -- Transportation Companies

For commissions that are not tips, IRC section 6041 requires Form 1099 to be issued to payee by January 31 and filed with the IRS by February 28 of the year following payment. (Tips are amounts that are paid at the discretion of the customer.)

IRC sections 6721 and 6722 allow up to a \$50 penalty for each required Form 1099 that is incomplete or not timely filed and up to a \$50 penalty for each required Form 1099 not timely issued.

IRC section 6109 requires a payee to furnish his or her correct TIN to persons who must file information returns.

IRC section 3406 subjects the payments to backup withholding of 31 percent when payees are not identified by TIN.

Most of the large transportation companies reported gross sales and were able to determine the total amount paid in commissions for the year. To avoid backup withholding on the commission payments, the companies reconstructed their records to show total commissions paid to each hotel and each individual employee. It is noted that payments to corporations are generally exempt from the Form 1099 reporting requirements. See Treas. Reg. section 1.6041-3(c).

The companies were instructed in the use of IRS Form W-9, Request for Taxpayer Identification Number and Certification, required to be on file prior to payments of future commissions.

Payees -- Hotel Employees

IRC section 61 income includes commission, portorage, and tip income.

IRC section 1401 requires payment of self-employment tax on self-employment income of every individual.

Usually the agreement to pay commissions was made between the tour bus company and the individual hotel employee without interference from hotel management. In these cases the employees are considered independent contractors since the employees

have the option to refer one tour or shuttle company over another. These employees should be filing a Schedule C with their Form 1040. In rare cases, the hotel itself has an agreement with a tour or shuttle company whereby all commissions are paid to the hotel and the hotel distributes payment to each employee. In this case, the commissions should be included in the wages of the employee since the employer has control of the payment and can ensure withholding of both income and FICA tax. (Exhibit 3 contains a list of Tour Bus Companies Questions and Answers to Reporting Requirements.)

Tipped Employees -- Hotel Employees and Management

IRC section 6053 addresses reporting to employers tips received by employees. If an employee receives \$20 or more during any month, they are required to report tip income to their employer, who will withhold income and FICA tax.

IRC section 3121(q) states that tips are remuneration by the employer and deemed to be paid for purposes of FICA when the Service notifies the employer (if the employee fails to correctly report tips to the employer).

Inspection of income tax returns for concierge and bell staff showed that in the majority of cases employees were not reporting any miscellaneous tip income. In addition to unreported commission income, substantial sums of the following types of income went unreported:

1. Customer Tip Income -- Baggage handling for guests of hotel, including storing of baggage for guest or securing taxi cabs, etc. In major hotels, this could average over \$7,000 per year.
2. Porterage Income -- Travel agency tours contract with hotels to handle the baggage of people arriving on package tours. For example, the travel agency could agree to pay \$1.60 per bag, each way, for transporting baggage for hotel guests.
3. Miscellaneous Commissions -- Auto rental agencies, theater ticket agencies, and entertainment agencies pay commissions for bookings made by hotel staff.

Testimony of hotel employees indicated that hotel management may not be properly educating their employees as to tip-reporting requirements. Research was done to determine the effect of IRC section 3121(q) on an employer when tip-reporting requirements are not followed and hotel management was advised of their potential liability.

PROBLEMS ENCOUNTERED

Identifying Hotel Employees and Commission Paid -- Reconstruction of Records

The large transportation companies reported gross sales and were able to determine the total amount paid in commissions for the year. In cases where sales were reported net of commissions, it could range from very difficult to impossible to reconstruct the commission payees, depending upon the type of records maintained by the company. Exhibit 4 contains sample interview questions for the examination of tour bus/airport shuttle/limousine companies. Exhibit 5 is a sample of an Information Document Request (IDR).

Examples of reporting methods are:

REPORT GROSS = Start with total commission amount and break down total amount by hotel employee phone-in reservation detail.

REPORT GROSS = Start with total commission amount and break down by itemization of hotel employee identification on each ticket stub.

REPORT NET = Use Waybills or Driver Logs to reconstruct the number of passengers, pickup site and amount of commission retained by hotel employee. In cases where there were numerous agents at a hotel, the break down by employee might not be possible. In these cases, the transportation companies had to meet with hotel employees and seek their input for reconstruction of total allocated to each employee.

If the companies did not have hotel employee names or social security numbers on file, this information had to be obtained by visits to each hotel with requests for executed Forms W-9. There was some resistance to providing TIN's until employees became aware that the procedure was to be followed industry-wide.

Employee Sharing of Commissions

Some hotel employees were upset at the amount of commissions the transportation companies reported on the Forms 1099 because they shared the commissions with their coworkers. However, only one worker was able to verify by a diary that the amount reported on his 1099 was incorrect. Amounts reported by the transportation companies ranged from \$650 to \$5000 per Form 1099.

HOTEL RESPONSIBILITY REGARDING EMPLOYEE RECEIPT OF TIP, PORTERAGE AND COMMISSION INCOME

ISSUE 1 -- TIP INCOME

What is hotel management's responsibility and/or liability, if any, with regard to TIP INCOME received by its non-food service employees?

Conclusion

Hotels are not subject to restaurant-type information reporting requirements for allocation of tips; however, Internal Revenue Code (IRC) and Treasury Regulations (Treas. Reg.) require employees who receive cash tips greater than \$20 per month to report on a monthly basis to their employers (IRC section 6053(a)). While employers are required to withhold and remit tax only on the tips reported to them, by not collecting this information as required, an employer is exposing itself to employer FICA taxes (IRC section 3111) in the event of an employment tax examination (IRC section 3121(q)).

ISSUE 2 -- PORTERAGE INCOME

What is hotel management's responsibility and/or liability, if any, with regard to PORTERAGE INCOME received by its employees?

Conclusion

Porterage is defined as the fixed amount received by hotel staff for baggage handling. The amount, usually paid by a tour bus company, is paid to hotel management on behalf of its employees. When an employer adds an arbitrary fixed charge to the customer's bill in lieu of tipping, this is not a tip or gratuity subject to tip reporting requirements, but is considered part of the employee's regular wages (Revenue Ruling 69-28, 1969-1 Cumulative Bulletin 270).

ISSUE 3 -- COMMISSION INCOME

What is hotel management's responsibility and/or liability, if any, with regard to COMMISSION INCOME received by its employees?

Conclusion

The facts show that commission income is not fixed by hotel management or considered a "tip" (that is, the bus companies are free to determine whether or not they should make a discretionary payment). The amount is, therefore, not under the

control of management and is considered self-employment income when received by the employee. The income is subject to full self-employment tax rates on the employee's tax return.

RESEARCH

Payments for services in the form of tips must be included in gross income (Treas. Reg. section 1.61-2(a)(1)). Tips include amounts received directly from customers and amounts paid over to the employee by the employer on behalf of charge customers. A tip or gratuity is a payment made by a customer to one who serves him or her where the customer is entirely free to determine whether he or she should make any payment at all and, if so, the amount (Rev. Rul. 59-252, 1959-2 C.B. 215).

For income tax withholding purposes the term "wages" includes tips received by an employee in the course of employment (IRC section 3401(f)). Tips are also "wages" for FICA and FUTA tax purposes (IRC sections 3121(q) and 3306(s)).

However, only cash tips received by an employee in any month in which the amount of tips received while working for an employer equals \$20 or more are wages subject to income tax withholding (IRC sections 3401(a)(16)(B) and 3121(a)(12)(B)). The employee's written report of tips must be furnished to his or her employer by the 10th day of the month following the month the tips were actually received (IRC section 6053(a)).

Section 31.6053-1 of the regulations requires that an employee submit a written report to the employer each month stating the total amount of tips received by the employee during the preceding calendar month. Although the regulation does not require a particular form, an employee may use Forms 4070 obtainable from the Service upon request. Form 4070 is particularly useful to the employee because it requests all of the information required by the regulation (employee's name and address, employer's name and address, period covered, date of the statement, and the total amount of tips received during the period covered). Employees must keep either (1) a daily record or (2) other reliable documentation to substantiate their tip income (Treas. Reg. section 31.6053-4(a)). Oral statements of the employee, without corroboration, will not ordinarily be considered sufficient evidence. The daily record must state the employee's name and address, and the employer's and the establishment's names. It must show for each work day the amount of cash tips and charge tips received directly from customers or from other employees, and the amount of tips, if any, paid out to other employees through tip sharing. The record must also show the date that each entry is made. Form 4070-A and Form 4070-PR (in Spanish) may be used to maintain the daily record. A substitute form is acceptable. Tips received by an employee in any medium other than cash, such as passes, tickets, or other goods or commodities do not constitute wages and are not includible as cash tips.

Daily records and/or documentary evidence must be retained as long as their content may be material in the administration of the tax laws (Treas. Reg. section 31.6053-4(b)).

The IRS has issued a special pocket-sized booklet which explains the law, provides a space to record each day's tips for 12 months, and has a year's supply of forms on which to make the monthly reports of tip income to employers. Employers, unions, and others can get free bulk quantities of the booklet for distribution to employees by requesting Publication 1244, Employee's Daily Record of Tips and Report of Tips to Employer.

For income tax withholding and FICA purposes, once the employee reports his or her tips to the employer under the rules of IRC section 6053(a), the tips are treated as wages "paid" by the employer as of the time of the report (IRC sections 3401(f) and 3121(q)). The employer must then withhold the income and FICA taxes on the tips reported just as if they were regular wages to the extent that he or she can collect the tax at any time before the close of the calendar year from unpaid actual wages or from funds voluntarily turned over to him or her by the employee for that purpose (IRC sections 3402(k) and 3102(c)).

The following items are to be collected (Treas. Reg. sections 31.3102-3 and 31.3402(k)-1):

1. FICA and Federal withholding with respect to wages;
2. State and local withholding imposed on wages;
3. FICA with respect to reported tips;
4. Federal withholding with respect to reported tips;
5. State and local withholding imposed on reported tips.

If the amount of employee tax with respect to tips reported by the employee to the employer exceeds the wages which are under the employer's control, the employee may furnish to the employer an amount of money equal to the additional tax owed (Treas. Reg. sections 31.3102-3(a)(3) and 31.3402(k)-1(a)(3)).

LIABILITY FOR TAX AND PENALTIES

Employer Liability

The Revenue Act of 1987 amended the provisions applying to employer responsibility for FICA tax on employee tips. Tips received after January 1, 1988, by an employee in the course of employment become taxable for social security purposes to both the employee and the employer.

Under IRC section 3102, the employer is responsible for withholding and paying tax only on the amount of tips reported by its employees. We believe that the Internal Revenue Service has the authority under IRC section 3121(q) to determine the amount of unreported tips and to assess employer FICA tax on those unreported tips.

We note that the Government lost the first case on this issue and is now appealing. **Morrison Restaurants, Inc. v. United States**, 918 F. supp. 1506 (S.D. Ala. 1996), **appeal docketed**, No. 96-6415 (11th Cir. May 6, 1996). In addition, a second case argued by the Government, **Bubble Room, Inc. v. United States**, Civ. No. 94-616 T, is pending now in the Court of Federal Claims.

Extract

IRC section 3121(q)

TIPS INCLUDED FOR BOTH EMPLOYEE AND EMPLOYER TAXES.--For purposes of this chapter, tips received by an employee in the course of his employment shall be considered remuneration for such employment * * *. Such remuneration shall be deemed to be paid at the time a written statement including such tips is furnished to the employer * * * or (if no statement including such tips is so furnished) at the time received; except that, in determining the employer's [FICA] liability in connection with the taxes imposed by section 3111 with respect [to] such tips in any case where no statement including such tips was so furnished (or to the extent that the statement so furnished was inaccurate or incomplete), such remuneration shall be deemed for purposes of subtitle F to be paid on the date on which notice and demand for such taxes is made to the employer by the [IRS].

Employee Liability

Penalties under IRC section 6652(b) are applicable to employees who fail to properly report tips.

Extract

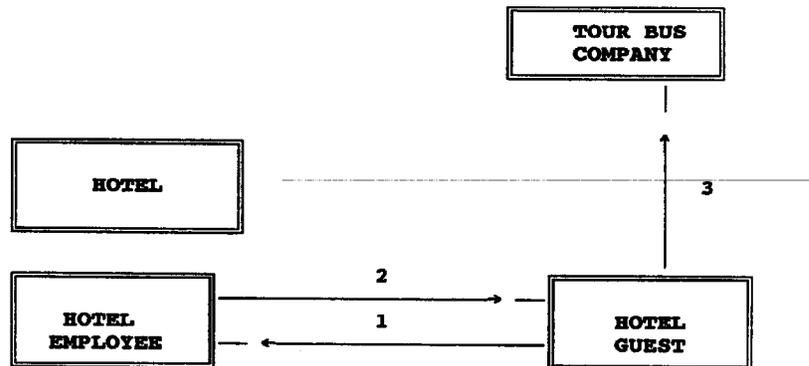
IRC section 6652(b)

FAILURE TO REPORT TIPS.--In the case of failure by an employee to report to his employer on the date and in the manner prescribed therefor any amount of tips required to be so reported by section 6053(a) which are wages * * * there shall be paid by the employee, in addition to the tax imposed by section 3101 or section 3201 (as the case may be) with respect to the amount of tips which he so failed to report, an amount equal to 50 percent of such tax.

METHODS OF PAYMENT OF COMMISSIONS BY TOUR BUS COMPANIES

CASH COMMISSIONS PAID UP FRONT

Tour bus companies sell their tickets through hotel employees who act as their agents. For the service of selling the tour bus companies' tickets, the hotel employee receives a cash sales commission ranging from 17 percent to 30 percent of the fare price, depending on the tour bus company's policy and the volume of sales. The hotel employee calls the tour bus company with the referral and receives the guest's deposit to reserve their seat. The hotel employee issues the tour bus company's ticket to the hotel guest, reflecting the sales commission collected up-front and the balance owed on the fare. Before the hotel guest goes on his or her tour, he or she pays the balance of the outstanding fare at the tour bus company's office or to the driver. The tour bus company reflects the gross fare charged to the hotel guests and the sales commissions collected up-front by the hotel employee, either in their daily operations sheets or income statement.



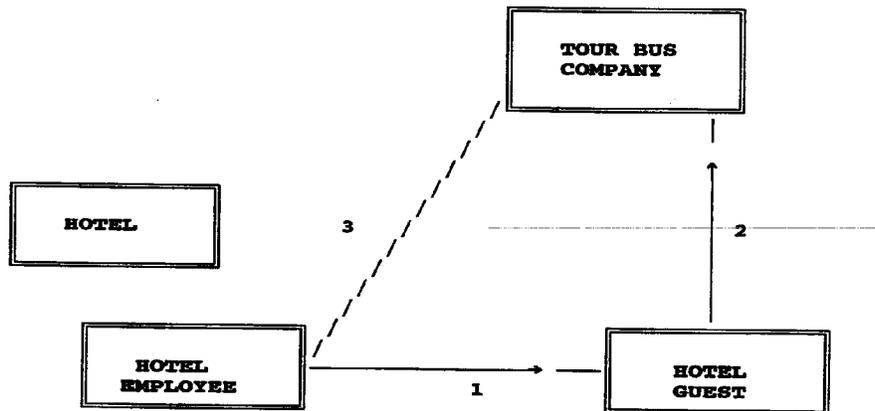
Explanation :

1. The hotel guest pays a deposit to the hotel employee.
2. The hotel employee issues a ticket to the hotel guest.
3. The hotel guest pays the balance of the fare to the tour bus company or bus driver.

CASH COMMISSIONS PAID BY TOUR BUS COMPANY

Similar to the commissions paid in cash, hotel employee selling tickets to hotel guest calls the tour bus company with the referral and issue tickets. The hotel employee does not collect a cash commission up front. Rather, the tour bus company pays the hotel employee in cash on a weekly basis.

The tour bus company records the gross fare charged, but indicates a sales commission is owed to a specific hotel employee. Depending on the hotel's policy, the sales commission is paid in a lump sum payment to the hotel employees.

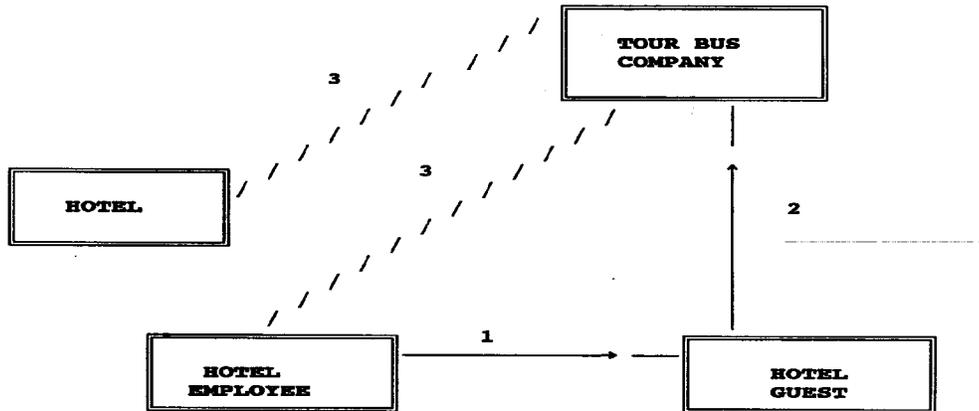


Explanation:

1. The hotel employee issues a ticket to the hotel guest.
2. The hotel guest pays the gross fare of the ticket to the tour bus company or driver.
3. The tour bus company pays the hotel employee a sales commission in cash.

COMMISSIONS PAID BY CHECK BY TOUR BUS COMPANY

Similar to the commissions paid in cash, a hotel employee sells a ticket to the hotel guest by calling the tour bus company with the referral and issuing a ticket. The hotel employee does not collect a cash commission. The bus company pays the hotel employee by company check or cashier's check on a weekly or monthly basis. Depending on the hotel's policy, hotel employees are instructed not to accept cash or checks from hotel guests. Under these circumstances, hotel employees participating in selling tour bus tickets are instructed to collect their sales commissions from the tour bus company, rather than directly from the hotel guest.

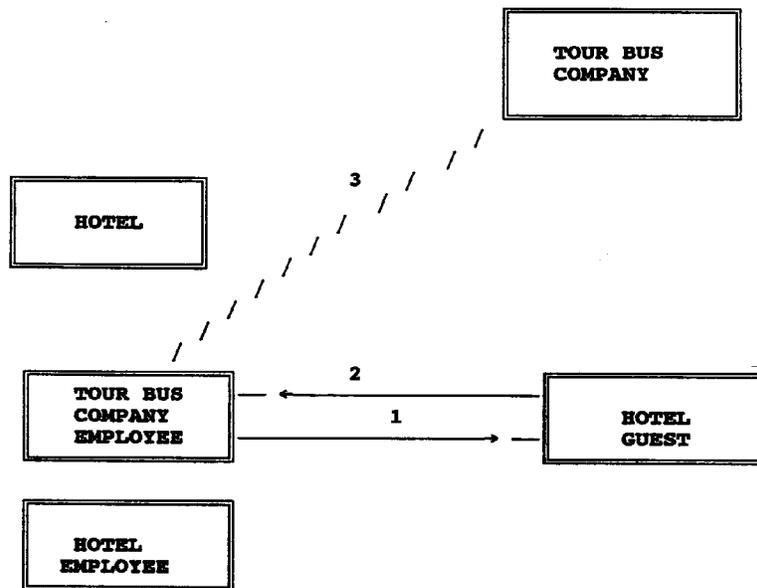


Explanation:

1. The hotel employee issues a ticket to the hotel guest.
2. The hotel guest pays the gross fare of the ticket to the tour bus company or driver.
3. The tour bus company pays the hotel or the hotel employee a sales commission by check.

COMMISSION PAID TO BUS COMPANY EMPLOYEE AND REFLECTED ON FORM W-2

A tour bus company rents a desk at a hotel and staffs the desk with a tour bus company employee. For the number of sales made, the tour bus company employee is paid a sales commission which is reflected on his or her W-2.



Explanation:

1. The tour bus company issues a ticket to the hotel guest.
2. The hotel guest pays the gross fare of the ticket to the tour bus company employee.
3. The tour bus company pays its employee a commission along with his or her wages.

**TOUR BUS COMPANIES
QUESTIONS AND ANSWERS TO REPORTING REQUIREMENTS**

1. To whom should I issue Form 1099 if I do not know which employee of the hotel kept the deposit?

The payor is responsible for keeping the proper records on who was paid or who sold the payor's tickets. If you cannot tell who the payee is, you will be assessed a 31 percent backup withholding on these amounts. If you have a log on who made the reservation, you may be able to identify the hotel employee who sold the ticket.

2. Can I issue the Form 1099 to the hotel itself?

You can do this only if your agreement to provide services is with the hotel general manager or owner directly and the hotel agrees that it is their responsibility to handle the commissions received and make distributions to their employees. Although a Form 1099 may be used as a convenient means for reporting payments to hotels, corporations are generally exempt from the Form 1099 reporting requirements. If a payment is made to an incorporated hotel, which distributes the payment to its employees, the payment is a wage reportable on Form W-2. If your agreement is with the Bell Captain or other individual employee of the hotel, you cannot issue the Form 1099 to the hotel, but must issue to the individual receiving the commissions, whether by cash or by ticket deposits.

3. What if my agreement is with the Bell Captain to whom I pay all commissions and he/she distributes the money to the hotel employees?

If your agreement is with one employee of the hotel and you pay all monies to this one person, then issue the Form 1099 to this person. This agreement must be understood by both parties, you and the one hotel employee. If you give the money in an envelope that has both the individual names of the hotel employees due the commission along with the money and then one person in the hotel agrees to distribute the money, you must issue a Form 1099 to each individual named in the envelope. This is an indication that the one hotel employee is only acting as a distributor of the money for your convenience and that he or she is not taking the responsibility for the commissions paid.

4. Who is responsible for getting the hotel employee or other commission payee social security number?

It is your responsibility to get this information and you can use IRS Form W-9, Request for Taxpayer Identification Number and Certification, for this purpose.

5. What if the hotel employee refuses to give us the social security number?

Refusal to provide a social security number is subject to a \$50 penalty per each refusal. If a hotel employee refuses to provide his or her SSN to 50 tour bus/airport shuttle companies, the employee could be subject to a total fine of \$2500.

6. What if I begin paying commissions to a new hotel employee?

In the future it will be necessary to issue Forms 1099 to all hotel employees or others to whom you pay \$600 or more in a year. To protect yourself, secure SSN's from all payees as soon as you begin making commission payments.

7. What penalties will be assessed?

This depends on facts and circumstances of each case. Penalties of up to \$50 (\$100 if failure was intentional) can be assessed for each Form 1099 that was not issued. With our Compliance 2000 approach to doing business, we are more interested in getting taxpayers to voluntarily pay and file the correct information with us than with assessing penalties.

**SAMPLE INTERVIEW QUESTIONS
FOR THE EXAMINATION OF
TOUR BUS/AIRPORT SHUTTLE/LIMOUSINE COMPANIES**

1. Who are the owners of the business?
2. Do you or these owners have an interest in any other business, or use any other business names?
3. Have all required tax returns been filed by the business and its owners (Form 1040, 1120, 941, and 940)?
4. Describe your business and type of clientele (per capita ticket sales or travel agency bookings, etc.)
5. What type of records do you keep on the number of passengers picked up and the fares charged?
6. Do you use a dispatcher? Do the dispatchers keep separate records?
7. Do you record where each passenger is picked up and how the referral was made?
8. What percentage of your customers are picked up at:
 - a. Personal residences or business locations?
 - b. Hotels?

EXHIBIT 4 (2 of 3)

9. How do you pay commissions and what is the rate or amounts paid for:
 - a. Hotel employees: Cash deposit retained, check, cash delivered?
 - b. Travel Agencies: Cash deposits or check?
 - c. Others: Cash, check, deposit or other?
 - d. Do you leave tickets or ticket books with any of the above for sale to customers?

10. Do you have records of to whom you paid commissions or who you permitted to retain ticket deposits? If no, what records do you have to substantiate the amount of commissions paid?

11. Do you report the full fare as income on your tax return or do you report the ticket price less the commission paid to the hotel employee referring the passenger?

12. Do you understand the requirements for filing Forms 1099?

13. a. Are your bus drivers salaried employees? If so:
 - 1) How is their salary or compensation determined?
 - 2) Are they paid an incentive commission bonus for the number of passengers, etc.?

13. b. Are your drivers subcarriers? If so,
 - 1) Who are they?
 - 2) How is their compensation determined?
 - 3) Did they receive Forms 1099?
 - 4) Does each one have a charter party transportation (TCP) permit authority from PUC?
 - 5) Who owns the vehicles?
 - 6) Who pays for the insurance?
 - 7) Who pays for other driver expenses?

14. Are you or your employees paid commissions or fees for recommending or delivering passengers at certain locations, or for making recommendations for hotels, etc.?

15. If yes, who receives the payments and are these reported as income by the company or do you know if employees are receiving Forms 1099 from the payors and reporting the payments as income?

16. Do you have knowledge of any other businesses paying cash commissions to hotel employees, travel agencies, or other types of businesses?

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EXHIBIT 5

Form 4564 Rev. 6/88	<p align="center"> Department of the Treasury Internal Revenue Service INFORMATION DOCUMENT REQUEST </p>	Request Number
TO: Name of Taxpayer and Co. Div. or Branch		Subject <hr/> SAIN No. Submitted to: <hr/> Dates of Previous Requests
Please return Part 2 with listed documents to requester identified below.		

Description of Documents Requested

1. Income Tax Returns, Form 1040 or Form 1120, for the years 19xx and 19xx. If your business is a closely-held corporation, provide the individual tax returns, Form 1040 for 19xx and 19xx, of the shareholders.
- 2.
2. Information Returns that you filed for the years 19xx and 19xx, including Forms 1096, 1099, W-2, 941, and 940.
3. Copy of Public Utilities Commission application, or any other public agency application, authorizing you to do business and state type of permit issued.
4. Copies of Annual or Quarterly Revenue Filings with Public Utilities Commission, or any other agency, for 19xx and 19xx.
5. Copies of advertisements for your company and business.
6. Copies of contracts or agreements with other bus or transportation companies or subcarriers that provide transportation services for your customers or organization.
7. Copies of your Fee Schedules for 19xx, 19xx, and 19xx.
8. Copies of tour or transportation schedules for 19xx and 19xx, and copies of reports or other records that indicate the number of passengers picked up, where they were picked up, who referred the passenger, fare charged, and commission paid (for example, waybills, etc.).
9. Information or records on payment of commissions or retention of ticket deposits by hotel employees or others. If no written contract or agreements are available, list the names of the hotels or businesses and the commission agreement amounts with each.
10. Retained tickets or ticket stubs for fares sold in 19xx or 19xx.
11. Evidence of vehicle insurance on all vehicles for 19xx and 19xx.

Information Due By _____ At Next Appointment [] Mail In []

FROM:	Name and Title of Requester	Date
	Office Location	