

**Intern Tax FAQs**

1. What internship benefits are taxable?
   1. Your intern housing and airfare benefits are considered taxable benefits for your internship. The cost of these benefits are considered taxable income and must be reported on your W-2.
2. But I am not paying for either of these benefits myself, why are they part of my income?
   1. All taxable relocation benefits must be reported as income regardless of who pays for them. However, eBay also pays the tax for you! Your taxable benefit is “grossed-up” for taxes by eBay.
3. Will I be taxed for my housing expenses?
   1. Your intern housing benefits are considered taxable benefits for your internship. The cost of your housing is considered taxable income and must be reported on your W-2. All taxable relocation benefits must be reported as income regardless of who pays for them. However, EBay also pays the tax for you!  Your taxable benefit is “grossed-up” for taxes by EBay
4. What is tax gross-up?
   1. EBay recognizes that relocation benefits being provided to you are taxable and will create a tax liability so EBay pays the tax related to these benefits directly to the government through EBay payroll.  When our relocation company reports the amount of the tax benefit to payroll for purposes of including it in the W2 wage statement as taxable income, the payroll department will calculate the amount of taxes due on that additional income using statutory tax rates and will make a tax payment to the taxing authorities on your behalf. This tax payment is recorded on the W2 along with the taxable income. You may use the [tax calculator](http://www.taxact.com/tools/tax-bracket-calculator.asp) to estimate your relocation cost impact.

**Imagine a bucket each labeled with the US taxing authorities:**



Each time the company makes a “tax gross up payment” on your behalf, the company is making a separate payment to each taxing authorities in order to pay the applicable tax related to the taxable benefit.