

Part I

Section 61. Gross Income Defined

26 CFR 1.61-21: Taxation of Fringe Benefits

Rev. Rul. 2023-19

For purposes of the taxation of fringe benefits under section 61 of the Internal

Revenue Code, section 1.61-21(g) of the Income Tax Regulations provides a rule for valuing noncommercial flights on employer-provided aircraft. Section 1.61-21(g)(5) provides an aircraft valuation formula to determine the value of such flights. The value of a flight is determined under the base aircraft valuation formula (also known as the Standard Industry Fare Level formula or SIFL) by multiplying the SIFL cents-per-mile rates applicable

for the period during which the flight was taken by the appropriate aircraft multiple provided in section 1.61-21(g)(7) and then adding the applicable terminal charge. The SIFL cents-per-mile rates in the formula and the terminal charge are calculated by the Department of Transportation (DOT) and are reviewed semi-annually.

The following charts set forth the terminal charge and SIFL mileage rates:

<i>Period During Which the Flight Is Taken</i>	<i>Terminal Charge</i>	<i>SIFL Mileage Rates</i>
7/1/23 - 12/31/23	\$52.98	Up to 500 miles = \$.2898 per mile 501-1500 miles = \$.2210 per mile Over 1500 miles = \$.2124 per mile

DRAFTING INFORMATION

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