

standard Industry Fare Level (SIFL), cents-per-mile rates, and terminal charges in effect for the first half of 1997 are set forth.

### Rev. Rul. 97-14

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 and are reviewed semi-annually.

The following chart sets forth the terminal charges and SIFL mileage rates:

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26 CFR 1.61-21: Taxation of fringe benefits.

**Fringe benefits aircraft valuation formula.** For purposes of section 1.61-21(g) of the regulations, relating to the rule for valuing noncommercial flights on employer-provided aircraft, the Stan-

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*Period During Which the Flight Was Taken*

1/1/97-6/30/97

*Terminal Charge*

\$31.73

*SIFL Mileage Rates*

Up to 500 miles = \$.1735 per mile  
501-1500 miles = \$.1323 per mile  
Over 1500 miles = \$.1272 per mile

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### DRAFTING INFORMATION

The principal author of this revenue ruling is Felicia A. Daniels of the Office of the Associate Chief Counsel (Employee Benefits and Exempt Organizations). For further information regarding this revenue ruling contact, Ms. Daniels on (202) 622-6050 (not a toll-free call).