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Section 61.—Gross Income  
Defined

*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 non-commercial flights on employer-provided aircraft, the Standard Industry Fare Level, cents-per-mile rates and terminal charges in effect for the second half of 1997 are set forth.

Rev. Rul. 97–33

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:

*Period During Which  
the Flight Is Taken*

*Terminal  
Charge*

*SIFL Mileage  
Rates*

7/1/97-12/31/97

\$31.72

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).