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Rev. Rul. 2021-11: Fringe benefit aircraft valuations, first half of 2021

IRS guidance—Rev. Rul. 2021-11—provides information for use in determining the value of noncommercial flights on employer-provided aircraft for the first half of 2021.

Rev. Rul. 2021-11 appears in the [Internal Revenue Bulletin 2021-24](#) [PDF 673 KB] dated Monday, June 14, 2021.

Measures specifically related to COVID-19 relief

As explained by Rev. Rul. 2021-11, because of the effect of the coronavirus (COVID-19) pandemic, airline industry capacity (as measured by airline seat miles) was reduced faster than airline industry expenses were reduced. The standard industry fare level (SIFL) rate generally is the determined as airline industry expenses divided by airline seat miles. Because airline seat miles were reduced faster than airline industry expenses, the SIFL rate for the six-month period beginning January 1, 2021, increased substantially.

Moreover, the *Coronavirus Aid, Relief, and Economic Security Act* (CARES Act) (March 2020) directed the Treasury Department to allot up to \$25 billion for domestic carriers to cover payroll expenses via grants and promissory notes—the Payroll Support Program (PSP). These PSP grants and PSP promissory notes offset airline industry expenses.

Accordingly, the Department of Transportation provided two alternatives for incorporate differing levels of the PSP into the SIFL rate calculations—both to account for the PSP in the rate calculations and to mitigate the impact of the COVID-19 pandemic on the SIFL rate.

- One calculation adjusts the SIFL rates to account for PSP grants.
- The other calculation adjusts the SIFL rates to account for both the PSP grants and PSP promissory notes.

Accordingly, unlike prior revenue rulings providing fringe benefit aircraft valuations, Rev. Rul. 2021-11 contains three SIFL rates:

- The unadjusted SIFL rate
- The SIFL rate adjusted for PSP grants
- The SIFL rate adjusted for PSP grants and promissory notes

Taxpayers may use any of the three rates in determining the value on noncommercial flights of employer-provided aircraft under Reg. section 1.61-21(g)).

Period during which the flight is taken	Terminal charge	Standard industry fare level (SIFL) mileage rates
January 1, 2021 – June 30, 2021	<ul style="list-style-type: none"> • \$61.88 	<ul style="list-style-type: none"> • Up to 500 miles = \$.3385 per mile • 501 - 1500 miles = \$.2581 per mile • Over 1500 miles = \$.2481 per mile
SIFL rate adjusted for PSP grants		
January 1, 2021 – June 30, 2021	<ul style="list-style-type: none"> • \$44.35 	<ul style="list-style-type: none"> • Up to 500 miles = \$.2426 per mile • 501-1500 miles = \$.1850 per mile • Over 1500 miles = \$.1778 per mile
SIFL rate adjusted for PSP grants and promissory notes		
January 1, 2021 – June 30, 2021	<ul style="list-style-type: none"> • \$38.03 	<ul style="list-style-type: none"> • Up to 500 miles = \$.2080 per mile • 501-1500 miles = \$.1586 per mile • Over 1500 miles = \$.1525 per mile

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