



Tax Reduction Letter

[CLICK HERE](#) to return to the home page

Notice 2013-27

Maximum Vehicle Values for 2013 for Use of Vehicle Cents-Per-Mile and Fleet-Average Valuation Rules

PURPOSE

This notice provides the maximum vehicle values for 2013 that taxpayers need to determine the value of personal use of employer-provided vehicles under the special valuation rules provided under *section 1.61-21 (d) and (e) of the Income Tax Regulations*.

BACKGROUND

If an employer provides an employee with a vehicle that is available to the employee for personal use, the value of the personal use must generally be included in the employee's income and wages. *Internal Revenue Code § 61; Regulation section 1.61-21*. If the employer meets certain requirements, the employer may elect to determine the value of the personal use using certain special valuation rules, including the vehicle cents-per-mile rule and the fleet-average value rule set forth in *Regulation section 1.61-21 (d) and (e)*, respectively. Both the vehicle cents-per-mile rule and the fleet-average value rule provide that those rules may not be used to value personal use of vehicles that have fair market values exceeding specified maximum vehicle values on the first day the vehicles are made available to employees. These maximum vehicle values are indexed for inflation and must be adjusted annually by referring to the Consumer [*2] Price Index. In previous years these maximum vehicle values and guidance on their calculation and application have been provided by Revenue Procedure. For example, the maximum vehicle values for vehicles first placed into service in 2012 were published in *Revenue Procedure 2012-13, 2012-1 C.B. 295, 2012-3 I.R.B. 295 (January 17, 2012)*. Guidance on the calculation and application of these maximum vehicle values is set forth in *section 1.61-21 (d) and (e) of the Regulations* and does not change from year-to-year. Accordingly, beginning this year, only the maximum vehicle values as adjusted for inflation will be published annually in a shorter notice.

MAXIMUM VEHICLE VALUES

The maximum value of employer-provided vehicles first made available to employees for personal use in calendar year 2013 for which the vehicle cents-per-mile valuation rule provided under *Regulation section 1.61-21 (e)* may be applicable is \$16,000 for a passenger automobile and \$17,000 for a truck or van.

The maximum value of employer-provided vehicles first made available to employees for personal use in calendar year 2013 for which the fleet-average valuation rule provided under *Regulation section 1.61-21 (d)* may be applicable is \$21,200 [*3] for a passenger automobile and \$22,300 for a truck or van.

EFFECTIVE DATE

This notice applies to employer provided passenger automobiles first made available to employees for personal use in calendar year 2013.

DRAFTING INFORMATION

The principal author of this notice is Don M. Parkinson of the Office of the Division Counsel/Associate Chief Counsel (Tax Exempt & Government Entities). For further information on this notice contact Don Parkinson on (202) 622-6040 (not a toll-free call).