

**THOUGHT LEADERSHIP**

LEGAL UPDATES

PUBLISHED: AUGUST 20, 2010

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# DOT Revised the Standard Industry Fare Level (SIFL) for Last Six Months of 2010

The U.S. Department of Transportation recently revised the SIFL rates for the six month period July 1, 2010 through December 31, 2010. The SIFL rates for the last 6 months of 2010 are:

<b>Mileage Range</b>	<b>Amount per Mile</b>
0 – 500 miles	\$0.2243
501 – 1,500 miles	\$0.1710
Over 1,500 miles	\$0.1644
Terminal Charge	\$41.00

SIFL rates are used to value an employee's personal use of a company aircraft, as required by the Internal Revenue Code Section 61 and the Federal Tax Regulations Section 1.61-21(g).

Each use of an employer-provided aircraft by an employee is potentially taxable to the employee. These rules also apply when guests or family members of an employee are provided use of an employer-provided aircraft. Also, the classification by the IRS of some personal use flights as recreational, amusement or entertainment, causing the company to lose the company's business deductions for such flights, does not eliminate the requirement to allocate the value of the personal use flights to the individual receiving the benefit of such flights.

**Contact Info**

For more information regarding the SIFL rates, assistance with calculating the value of an employer-provided flight or other aviation related tax issue, please contact one of the following attorneys in the Husch Blackwell Sanders Aviation Practice Group:

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