

26 CFR 601.105: Examination of returns and claims for refund, credit, or abatement; determination of correct tax liability.
(Also, Part I, §§ 61, 168, 280F; 1.61–21, 1.280F–7.)

Rev. Proc. 2004–20

SECTION 1. PURPOSE

01. This revenue procedure provides: (1) limitations on depreciation deductions for owners of passenger automobiles first placed in service by the taxpayer during

calendar year 2004, including special tables of limitations on depreciation deductions for trucks and vans, and for passenger automobiles designed to be propelled primarily by electricity and built by an original equipment manufacturer (electric automobiles); (2) the amounts to be included in income by lessees of passenger automobiles first leased by the taxpayer during calendar year 2004, including a separate table of inclusion amounts for lessees of trucks and vans, and a separate table for lessees of electric automobiles; and (3) the maximum allowable value of employer-provided passenger automobiles first made available to employees for personal use in calendar year 2004 for which the vehicle cents-per-mile valuation rule provided under § 1.61–21(e) of the Income Tax Regulations may be applicable.

02. This revenue procedure also provides tables of dollar limitations on depreciation deductions for owners of passenger automobiles to which the additional 50 percent first-year allowance for depreciation available under § 168(k)(4) applies, including special tables of limitations on depreciation deductions for qualifying trucks and vans and for qualifying electric automobiles. For purposes of these tables, the additional 50 percent first-year allowance does not apply if the taxpayer

has elected under § 168(k)(2)(C)(iii) not to take the additional allowance.

03. The tables detailing these depreciation limitations and lessee inclusion amounts reflect the automobile price inflation adjustments required by § 280F(d)(7). The maximum allowable passenger automobile value for applying the vehicle cents-per-mile valuation rule reflects the automobile price inflation adjustment of § 280F(d)(7) of the Internal Revenue Code, as required by § 1.61–21(e)(1)(iii)(A).

SECTION 2. BACKGROUND

01. For owners of passenger automobiles, § 280F(a) imposes dollar limitations on the depreciation deduction for the year that the passenger automobile is placed in service by the taxpayer and each succeeding year. In the case of electric automobiles placed in service after August 5, 1997, and before January 1, 2007, § 280F(a)(1)(C) requires tripling of these limitation amounts. Section 280F(d)(7) requires the amounts allowable as depreciation deductions to be increased by a price inflation adjustment amount for passenger automobiles placed in service after 1988. The method of calculating this price inflation amount for trucks and vans

placed in service in or after calendar year 2003 uses a different CPI “automobile component” (the “new trucks” component) than that used in the price inflation amount calculation for other passenger automobiles (the “new cars” component), resulting in somewhat higher depreciation deductions for trucks and vans. This change reflects the higher rate of price inflation that trucks and vans have been subject to since 1988. For purposes of this revenue procedure, the term “trucks and vans” refers to passenger automobiles that are built on a truck chassis, including minivans and sport utility vehicles (SUVs) that are built on a truck chassis.

02. Section 101 of the Job Creation and Worker Assistance Act of 2002, Pub. L. No. 107-147, 116 Stat. 21 (March 9, 2002) added § 168(k) to the Code. Generally, § 168(k)(1)(A) provides an additional 30 percent first-year depreciation deduction for new property acquired by the taxpayer after September 10, 2001, and before September 11, 2004 (subsequently extended to January 1, 2005), so long as no written binding contract for the acquisition of the property existed prior to September 11, 2001.

03. Section 201 of the Jobs and Growth Tax Relief Reconciliation Act of 2003, Pub. L. No. 108-27, 117 Stat. 752 (May 28, 2003) added § 168(k)(4) to the Code. Section 168(k)(4)(A)(i) provides that § 168(k)(1) is applied by substituting “50 percent” for “30 percent” for new property acquired by the taxpayer after May 5, 2003, and before January 1, 2005, so long as no written binding contract for the acquisition of the property existed prior to May 6, 2003. In the case of a passenger automobile to which the 50 percent additional allowance applies (or would apply but for an election under § 168(k)(4)(E)) and for which no election has been made under § 168(k)(2)(C)(iii), § 168(k)(4)(D) increases the first-year depreciation allowed under § 280F(a)(1)(A) by \$7,650. For purposes of this revenue procedure, a passenger automobile to which the additional 50 percent first-year allowance under § 168(k)(4) applies (or would apply but for an election under § 168(k)(4)(E)) and for which no election has been made under § 168(k)(2)(C)(iii) is referred to as a “§ 168(k)(4) passenger automobile”.

04. For leased passenger automobiles, § 280F(c) requires a reduction in the de-

duction allowed to the lessee of the passenger automobile. The reduction must be substantially equivalent to the limitations on the depreciation deductions imposed on owners of passenger automobiles. Under § 1.280F-7(a), this reduction requires the lessees to include in gross income an inclusion amount determined by applying a formula to the amount obtained from a table. There is a table for lessees of electric automobiles, a table for lessees of trucks and vans, and a table for all other passenger automobiles. Each table shows inclusion amounts for a range of fair market values for each tax year after the passenger automobile is first leased. These tables should also be used by lessees of § 168(k)(4) passenger automobiles.

05. For passenger automobiles (including trucks, vans, and electric automobiles) first provided by employers to employees that meet the requirements of § 1.61-21(e)(1), the value to the employee of the use of the passenger automobile may be determined under the vehicle cents-per-mile valuation rule of § 1.61-21(e). Section 1.61-21(e)(1)(iii)(A) provides that for a passenger automobile first made available after 1988 to any employee of the employer for personal use, the value of the use of the passenger automobile may not be determined under the vehicle cents-per-mile valuation rule for a calendar year if the fair market value of the passenger automobile (determined pursuant to § 1.61-21(d)(5)(i) through (iv)) on the first date the passenger automobile is made available to the employee exceeds \$12,800 as adjusted by § 280F(d)(7).

SECTION 3. SCOPE

01. The limitations on depreciation deductions in section 4.02(2) of this revenue procedure apply to passenger automobiles (other than leased passenger automobiles) that are placed in service by the taxpayer in calendar year 2004, and continue to apply for each tax year that the passenger automobile remains in service.

02. The tables in section 4.03 of this revenue procedure apply to leased passenger automobiles for which the lease term begins during calendar year 2004. Lessees of such passenger automobiles must use these tables to determine the inclusion amount for each tax year during which

the passenger automobile is leased. See Rev. Proc. 2002-14, 2002-1 C.B. 450, for passenger automobiles first leased before January 1, 2003, and Rev. Proc. 2003-75, 2003-2 C.B. 1018, for passenger automobiles first leased during calendar year 2003.

03. The maximum fair market value figure in section 4.04(2) of this revenue procedure applies to employer-provided passenger automobiles first made available to any employee for personal use in calendar year 2004. See Rev. Proc. 2002-14 for the maximum fair market value figure for passenger automobiles first made available before January 1, 2003, and Rev. Proc. 2003-75 for passenger automobiles first made available during calendar year 2003.

SECTION 4. APPLICATION

01. In General.

(1) Limitations on Depreciation Deductions for Certain Automobiles. The limitations on depreciation deductions for passenger automobiles placed in service by the taxpayer for the first time during calendar year 2004 are found in Tables 1 through 9 in section 4.02(2) of this revenue procedure. Table 1 of this revenue procedure provides limitations on depreciation deductions for a passenger automobile (other than a truck, van, electric automobile, or § 168(k)(4) passenger automobile). Table 2 of this revenue procedure provides limitations on depreciation deductions for a § 168(k)(4) passenger automobile (other than a truck, van, or electric automobile). Table 3 of this revenue procedure provides limitations on depreciation deductions for a truck or van (other than a § 168(k)(4) passenger automobile). Table 4 of this revenue procedure provides limitations on depreciation deductions for a truck or van that is a § 168(k)(4) passenger automobile. Table 5 of this revenue procedure provides limitations on depreciation deductions for an electric automobile (other than a § 168(k)(4) passenger automobile). Table 6 of this revenue procedure provides limitations on depreciation deductions for an electric automobile that is a § 168(k)(4) passenger automobile.

(2) Inclusions in Income of Lessees of Passenger Automobiles. A taxpayer first leasing a passenger automobile during calendar year 2004 must determine the inclu-

sion amount that is added to gross income using the tables in section 4.03 of this revenue procedure. The inclusion amount is determined using Table 7 in the case of a passenger automobile (other than a truck, van, or electric automobile), Table 8 in the case of a truck or van, and Table 9 in the case of an electric automobile. In addition, the procedures of § 1.280F-7(a) must be followed.

(3) Maximum Automobile Value for Using the Cents-per-mile Valuation Rule. An employer providing a passenger automobile for the first time in calendar year 2004 for the personal use of any employee may determine the value of the use of the passenger automobile by using the cents-per-mile valuation rule in § 1.61-21(e) if the fair market value of the passenger automobile does not exceed the amount specified in section 4.04(2) of this revenue procedure. If the fair market value of the passenger automobile exceeds the amount specified in section 4.04(2) of this revenue procedure, the employer may determine the value of the use of the passenger automobile under the general valuation rules of § 1.61-21(b) or under the special valuation rules of § 1.61-21(d) (Automobile lease valuation) or § 1.61-21(f) (Commuting valuation) if the applicable requirements are met.

02. Limitations on Depreciation Deductions for Certain Automobiles.

(1) Amount of the Inflation Adjustment. Under § 280F(d)(7)(B)(i), the automobile price inflation adjustment for any calendar year is the percentage (if any) by which the CPI automobile component for October of the preceding calendar year exceeds the CPI automobile component for October 1987. The term

“CPI automobile component” is defined in § 280F(d)(7)(B)(ii) as the “automobile component” of the Consumer Price Index for all Urban Consumers published by the Department of Labor (the CPI). The new car component of the CPI was 115.2 for October 1987 and 133.5 for October 2003. The October 2003 index exceeded the October 1987 index by 18.3. The Service has, therefore, determined that the automobile price inflation adjustment for 2004 for passenger automobiles (other than trucks and vans) is 15.89 percent ($18.3/115.2 \times 100\%$). This adjustment is applicable to all passenger automobiles (other than trucks and vans) that are first placed in service in calendar year 2004. The dollar limitations in § 280F(a) must therefore be multiplied by a factor of 0.1589, and the resulting increases, after rounding to the nearest \$100, are added to the 1988 limitations to give the depreciation limitations applicable to passenger automobiles (other than trucks, vans, and electric automobiles) for calendar year 2004. To determine the dollar limitations applicable to an electric automobile first placed in service during calendar year 2004, the dollar limitations in § 280F(a) are tripled in accordance with § 280F(a)(1)(C) and are then multiplied by a factor of 0.1588; the resulting increases, after rounding to the nearest \$100, are added to the tripled 1988 limitations to give the depreciation limitations for calendar year 2004. To determine the dollar limitations applicable to trucks and vans first placed in service during calendar year 2004, the new truck component of the CPI is used instead of the new car component. The new truck component of the CPI was 112.4 for October 1987 and 144.6 for October 2003. The October

2003 index exceeded the October 1987 index by 32.2. The Service has, therefore, determined that the automobile price inflation adjustment for 2004 for trucks and vans is 28.65 percent ($32.2/112.4 \times 100\%$). This adjustment is applicable to all trucks and vans that are first placed in service in calendar year 2004. The dollar limitations in § 280F(a) must therefore be multiplied by a factor of 0.2865, and the resulting increases, after rounding to the nearest \$100, are added to the 1988 limitations to give the depreciation limitations applicable to trucks and vans.

(2) Amount of the Limitation. For passenger automobiles placed in service by the taxpayer in calendar year 2004, Tables 1 through 6 contain the dollar amount of the depreciation limitation for each tax year. Use Table 1 for passenger automobiles (other than trucks, vans, electric automobiles, and § 168(k)(4) passenger automobiles) placed in service by the taxpayer in calendar year 2004. Use Table 2 for § 168(k)(4) passenger automobiles (other than trucks, vans, and electric automobiles) placed in service by the taxpayer in calendar year 2004. Use Table 3 for trucks and vans (other than § 168(k)(4) passenger automobiles) placed in service by the taxpayer in calendar year 2004. Use Table 4 for trucks or vans that are § 168(k)(4) passenger automobiles placed in service by the taxpayer in calendar year 2004. Use Table 5 for electric automobiles (other than § 168(k)(4) passenger automobiles) placed in service by the taxpayer in calendar year 2004. Use Table 6 for electric automobiles that are § 168(k)(4) passenger automobiles placed in service by the taxpayer in calendar year 2004.

REV. PROC. 2004-20 TABLE 1

DEPRECIATION LIMITATIONS FOR PASSENGER AUTOMOBILES
(THAT ARE NOT § 168(k)(4) PASSENGER AUTOMOBILES,
TRUCKS, VANS, OR ELECTRIC AUTOMOBILES)
PLACED IN SERVICE BY THE TAXPAYER DURING CALENDAR YEAR 2004

<i>Tax Year</i>	<i>Amount</i>
1st Tax Year	\$2,960
2nd Tax Year	\$4,800
3rd Tax Year	\$2,850
Each Succeeding Year	\$1,675

REV. PROC. 2004-20 TABLE 2

DEPRECIATION LIMITATIONS FOR § 168(k)(4) PASSENGER AUTOMOBILES
(THAT ARE NOT TRUCKS, VANS, OR ELECTRIC AUTOMOBILES)
PLACED IN SERVICE BY THE TAXPAYER DURING CALENDAR YEAR 2004

<i>Tax Year</i>	<i>Amount</i>
1st Tax Year	\$10,610
2nd Tax Year	\$4,800
3rd Tax Year	\$2,850
Each Succeeding Year	\$1,675

REV. PROC. 2004-20 TABLE 3

DEPRECIATION LIMITATIONS FOR TRUCKS AND VANS
(THAT ARE NOT § 168(k)(4) PASSENGER AUTOMOBILES)
PLACED IN SERVICE BY THE TAXPAYER DURING CALENDAR YEAR 2004

<i>Tax Year</i>	<i>Amount</i>
1st Tax Year	\$3,260
2nd Tax Year	\$5,300
3rd Tax Year	\$3,150
Each Succeeding Year	\$1,875

REV. PROC. 2004-20 TABLE 4

DEPRECIATION LIMITATIONS FOR TRUCKS AND VANS
THAT ARE § 168(k)(4) PASSENGER AUTOMOBILES
PLACED IN SERVICE BY THE TAXPAYER DURING CALENDAR YEAR 2004

<i>Tax Year</i>	<i>Amount</i>
1st Tax Year	\$10,910
2nd Tax Year	\$5,300
3rd Tax Year	\$3,150
Each Succeeding Year	\$1,875

REV. PROC. 2004-20 TABLE 5

DEPRECIATION LIMITATIONS FOR ELECTRIC AUTOMOBILES
(THAT ARE NOT § 168(k)(4) PASSENGER AUTOMOBILES)
PLACED IN SERVICE BY THE TAXPAYER DURING CALENDAR YEAR 2004

<i>Tax Year</i>	<i>Amount</i>
1st Tax Year	\$8,880
2nd Tax Year	\$14,300
3rd Tax Year	\$8,550
Each Succeeding Year	\$5,125

REV. PROC. 2004-20 TABLE 6

DEPRECIATION LIMITATIONS FOR ELECTRIC AUTOMOBILES
 THAT ARE § 168(k)(4) PASSENGER AUTOMOBILES
 PLACED IN SERVICE BY THE TAXPAYER DURING CALENDAR YEAR 2004

<i>Tax Year</i>	<i>Amount</i>
1st Tax Year	\$31,830
2nd Tax Year	\$14,300
3rd Tax Year	\$8,550
Each Succeeding Year	\$5,125

03. Inclusions in Income of Lessees of Passenger Automobiles.

The inclusion amounts for passenger automobiles (including § 168(k)(1) passenger automobiles and § 168(k)(4) passenger automobiles) first leased in cal-

endar year 2004 are calculated under the procedures described in § 1.280F-7(a). Lessees of passenger automobiles other than trucks, vans, and electric automobiles should use Table 7 of this revenue procedure in applying these procedures,

while lessees of trucks and vans should use Table 8 of this revenue procedure and lessees of electric automobiles should use Table 9 of this revenue procedure.

REV. PROC. 2004-20 TABLE 7

DOLLAR AMOUNTS FOR PASSENGER AUTOMOBILES
 (THAT ARE NOT TRUCKS, VANS, OR ELECTRIC AUTOMOBILES)
 WITH A LEASE TERM BEGINNING IN CALENDAR YEAR 2004

Fair Market Value of Passenger Automobile		Tax Year During Lease				
		1st	2nd	3rd	4th	5th & Later
Over	Not Over					
\$17,500	18,000	11	23	33	42	48
18,000	18,500	13	26	40	49	56
18,500	19,000	14	31	46	55	65
19,000	19,500	16	35	51	63	73
19,500	20,000	18	39	57	70	81
20,000	20,500	20	43	63	77	89
20,500	21,000	22	47	69	84	97
21,000	21,500	23	51	75	91	106
21,500	22,000	25	55	81	98	114
22,000	23,000	28	61	90	109	126
23,000	24,000	32	69	102	123	142
24,000	25,000	35	77	114	137	159
25,000	26,000	39	85	126	151	176
26,000	27,000	43	93	137	166	192
27,000	28,000	46	101	149	180	209
28,000	29,000	50	109	161	194	225
29,000	30,000	54	116	174	208	242
30,000	31,000	57	125	185	223	257
31,000	32,000	61	133	197	237	274
32,000	33,000	64	141	209	251	291
33,000	34,000	68	149	221	265	307
34,000	35,000	72	157	232	280	323
35,000	36,000	75	165	244	294	340
36,000	37,000	79	173	256	308	357
37,000	38,000	83	181	268	322	373
38,000	39,000	86	189	280	337	389
39,000	40,000	90	197	292	351	405
40,000	41,000	94	204	304	365	423
41,000	42,000	97	213	316	379	438
42,000	43,000	101	221	327	394	455

REV. PROC. 2004-20 TABLE 7

DOLLAR AMOUNTS FOR PASSENGER AUTOMOBILES
(THAT ARE NOT TRUCKS, VANS, OR ELECTRIC AUTOMOBILES)
WITH A LEASE TERM BEGINNING IN CALENDAR YEAR 2004

Fair Market Value of Passenger Automobile		Tax Year During Lease				
		1st	2nd	3rd	4th	5th & Later
Over	Not Over					
43,000	44,000	105	228	340	408	471
44,000	45,000	108	237	351	422	488
45,000	46,000	112	245	363	436	504
46,000	47,000	115	253	375	451	520
47,000	48,000	119	261	387	464	538
48,000	49,000	123	269	398	479	554
49,000	50,000	126	277	411	493	570
50,000	51,000	130	285	422	508	586
51,000	52,000	134	292	435	522	603
52,000	53,000	137	301	446	536	619
53,000	54,000	141	309	458	550	636
54,000	55,000	145	316	471	564	652
55,000	56,000	148	325	482	578	669
56,000	57,000	152	333	493	593	685
57,000	58,000	155	341	506	607	701
58,000	59,000	159	349	517	622	718
59,000	60,000	163	357	529	636	734
60,000	62,000	168	369	547	657	759
62,000	64,000	176	384	571	686	792
64,000	66,000	183	401	594	714	825
66,000	68,000	190	417	618	743	857
68,000	70,000	197	433	642	771	890
70,000	72,000	205	448	666	800	923
72,000	74,000	212	465	689	828	956
74,000	76,000	219	481	713	856	990
76,000	78,000	227	496	738	884	1,022
78,000	80,000	234	513	760	914	1,055
80,000	85,000	247	540	803	963	1,112
85,000	90,000	265	580	862	1,035	1,194
90,000	95,000	283	621	921	1,105	1,277
95,000	100,000	301	661	980	1,177	1,359
100,000	110,000	328	721	1,069	1,284	1,482
110,000	120,000	365	800	1,189	1,426	1,646
120,000	130,000	401	881	1,307	1,568	1,811
130,000	140,000	438	960	1,426	1,711	1,975
140,000	150,000	474	1,041	1,544	1,853	2,140
150,000	160,000	511	1,120	1,663	1,996	2,304
160,000	170,000	547	1,200	1,782	2,138	2,468
170,000	180,000	583	1,281	1,900	2,280	2,633
180,000	190,000	620	1,360	2,020	2,422	2,797
190,000	200,000	656	1,440	2,139	2,564	2,962
200,000	210,000	693	1,520	2,257	2,707	3,126
210,000	220,000	729	1,600	2,376	2,849	3,291
220,000	230,000	765	1,681	2,494	2,991	3,455
230,000	240,000	802	1,760	2,613	3,134	3,619
240,000	250,000	838	1,840	2,732	3,276	3,784

REV. PROC. 2004-20 TABLE 8

DOLLAR AMOUNTS FOR TRUCKS AND VANS
WITH A LEASE TERM BEGINNING IN CALENDAR YEAR 2004

Fair Market Value of Truck or Van		Tax Year During Lease				
		1st	2nd	3rd	4th	5th and Later
Over	Not Over					
\$18,000	\$18,500	7	15	21	26	30
18,500	19,000	9	18	28	33	38
19,000	19,500	11	22	34	40	47
19,500	20,000	13	26	39	48	55
20,000	20,500	14	31	45	54	63
20,500	21,000	16	35	51	61	72
21,000	21,500	18	38	58	68	80
21,500	22,000	20	42	63	76	88
22,000	23,000	23	48	72	87	100
23,000	24,000	26	57	83	101	117
24,000	25,000	30	64	96	115	133
25,000	26,000	34	72	108	129	149
26,000	27,000	37	81	119	143	166
27,000	28,000	41	88	132	157	183
28,000	29,000	44	97	143	172	198
29,000	30,000	48	104	155	187	215
30,000	31,000	52	112	167	201	231
31,000	32,000	55	121	178	215	248
32,000	33,000	59	128	191	229	264
33,000	34,000	63	136	203	243	281
34,000	35,000	66	145	214	257	298
35,000	36,000	70	152	227	271	314
36,000	37,000	74	160	238	286	330
37,000	38,000	77	169	249	301	346
38,000	39,000	81	176	262	314	364
39,000	40,000	84	185	273	329	379
40,000	41,000	88	192	286	343	396
41,000	42,000	92	200	298	357	412
42,000	43,000	95	209	309	371	429
43,000	44,000	99	216	322	385	445
44,000	45,000	103	224	333	400	462
45,000	46,000	106	233	345	413	479
46,000	47,000	110	240	357	428	495
47,000	48,000	114	248	369	442	511
48,000	49,000	117	257	380	457	527
49,000	50,000	121	264	393	471	544
50,000	51,000	125	272	404	486	560
51,000	52,000	128	280	417	499	577
52,000	53,000	132	288	428	514	593
53,000	54,000	135	297	440	527	610
54,000	55,000	139	304	452	542	626
55,000	56,000	143	312	464	556	643
56,000	57,000	146	321	475	571	659
57,000	58,000	150	328	488	585	675
58,000	59,000	154	336	499	600	691
59,000	60,000	157	345	511	613	708
60,000	62,000	163	356	529	635	733
62,000	64,000	170	372	553	663	766
64,000	66,000	177	389	576	692	798
66,000	68,000	185	404	600	720	832
68,000	70,000	192	420	624	749	864
70,000	72,000	199	436	648	777	897
72,000	74,000	206	453	671	805	931
74,000	76,000	214	468	695	834	963
76,000	78,000	221	484	719	863	996

REV. PROC. 2004-20 TABLE 8

DOLLAR AMOUNTS FOR TRUCKS AND VANS
WITH A LEASE TERM BEGINNING IN CALENDAR YEAR 2004

Fair Market Value of Truck or Van		Tax Year During Lease				
Over	Not Over	1st	2nd	3rd	4th	5th and Later
78,000	80,000	228	501	742	891	1,029
80,000	85,000	241	528	785	940	1,087
85,000	90,000	259	568	844	1,012	1,168
90,000	95,000	277	609	902	1,084	1,250
95,000	100,000	296	648	962	1,155	1,333
100,000	110,000	323	708	1,052	1,261	1,456
110,000	120,000	359	788	1,171	1,403	1,620
120,000	130,000	396	868	1,289	1,546	1,785
130,000	140,000	432	948	1,408	1,688	1,949
140,000	150,000	469	1,028	1,526	1,831	2,113
150,000	160,000	505	1,108	1,645	1,973	2,278
160,000	170,000	541	1,188	1,764	2,115	2,443
170,000	180,000	578	1,268	1,882	2,258	2,607
180,000	190,000	614	1,348	2,001	2,400	2,771
190,000	200,000	651	1,428	2,120	2,542	2,936
200,000	210,000	687	1,508	2,239	2,684	3,100
210,000	220,000	724	1,588	2,357	2,827	3,264
220,000	230,000	760	1,668	2,476	2,969	3,429
230,000	240,000	796	1,748	2,595	3,112	3,593
240,000	250,000	833	1,828	2,713	3,254	3,758

REV. PROC. 2004-20 TABLE 9

DOLLAR AMOUNTS FOR ELECTRIC AUTOMOBILES
WITH A LEASE TERM BEGINNING IN CALENDAR YEAR 2004

Fair Market Value of Electric Automobile		Tax Year During Lease				
Over	Not Over	1st	2nd	3rd	4th	5th and Later
\$53,000	\$54,000	33	72	106	127	147
54,000	55,000	37	79	118	142	164
55,000	56,000	40	88	130	155	180
56,000	57,000	44	96	141	170	197
57,000	58,000	48	103	154	184	213
58,000	59,000	51	112	165	199	229
59,000	60,000	55	120	177	213	245
60,000	62,000	60	132	195	234	270
62,000	64,000	68	147	219	263	303
64,000	66,000	75	164	242	291	336
66,000	68,000	82	180	266	320	369
68,000	70,000	90	195	290	348	402
70,000	72,000	97	211	314	377	435
72,000	74,000	104	228	337	405	468
74,000	76,000	111	244	361	434	500
76,000	78,000	119	259	385	462	534
78,000	80,000	126	275	409	491	566
80,000	85,000	139	303	451	540	624
85,000	90,000	157	343	510	612	706
90,000	95,000	175	384	569	682	788
95,000	100,000	193	424	628	754	870
100,000	110,000	221	483	718	860	994
110,000	120,000	257	563	837	1,003	1,158
120,000	130,000	294	643	955	1,145	1,323
130,000	140,000	330	723	1,074	1,288	1,486

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DOLLAR AMOUNTS FOR ELECTRIC AUTOMOBILES
WITH A LEASE TERM BEGINNING IN CALENDAR YEAR 2004

Fair Market Value of Electric Automobile		Tax Year During Lease				
		1st	2nd	3rd	4th	5th and Later
Over	Not Over					
140,000	150,000	366	804	1,192	1,430	1,651
150,000	160,000	403	883	1,311	1,573	1,815
160,000	170,000	439	963	1,430	1,715	1,980
170,000	180,000	476	1,043	1,549	1,857	2,144
180,000	190,000	512	1,123	1,668	1,999	2,309
190,000	200,000	548	1,203	1,786	2,142	2,473
200,000	210,000	585	1,283	1,905	2,284	2,637
210,000	220,000	621	1,363	2,024	2,426	2,802
220,000	230,000	658	1,443	2,142	2,569	2,966
230,000	240,000	694	1,523	2,261	2,711	3,131
240,000	250,000	730	1,603	2,380	2,854	3,294

04. Maximum Automobile Value for Using the Cents-per-mile Valuation Rule.

(1) Amount of Adjustment. Under § 1.61-21(e)(1)(iii)(A), the limitation on the fair market value of an employer-provided passenger automobile first made available to any employee for personal use after 1988 is to be adjusted in accordance with § 280F(d)(7). Accordingly, the adjustment for any calendar year is the percentage (if any) by which the CPI automobile component for October of the preceding calendar year exceeds the CPI automobile component for October 1987. See, section 4.02(1) of this revenue procedure. The new car component of the CPI was 115.2 for October 1987 and 133.5 for October 2003. The October 2003 index exceeded the October 1987 index by 18.3. The Service has, therefore, determined that the adjustment for 2004 is 15.89 percent (18.3/115.2 x 100%). This adjustment is applicable to all employer-provided passenger automobiles first made available to any employee for personal use in calendar

year 2004. The maximum fair market value specified in § 1.61-21(e)(1)(iii)(A) must therefore be multiplied by a factor of 0.1589, and the resulting increase, after rounding to the nearest \$100, is added to \$12,800 to give the maximum value for calendar year 2004.

(2) The Maximum Automobile Value. For passenger automobiles first made available in calendar year 2004 to any employee of the employer for personal use, the vehicle cents-per-mile valuation rule may be applicable if the fair market value of the passenger automobile on the date it is first made available does not exceed \$14,800.

SECTION 5. EFFECTIVE DATE

This revenue procedure applies to passenger automobiles (other than leased passenger automobiles) that are first placed in service by the taxpayer during calendar year 2004, to leased passenger automobiles that are first leased by the tax-

payer during calendar year 2004, and to employer-provided passenger automobiles first made available to employees for personal use in calendar year 2004.

SECTION 6. DRAFTING INFORMATION

The principal author of this revenue procedure is Bernard P. Harvey of the Office of Associate Chief Counsel (Passthroughs & Special Industries). For further information regarding the depreciation limitations and lessee inclusion amounts in this revenue procedure, contact Bernard P. Harvey at (202) 622-3110 (not a toll-free call); for further information regarding the maximum automobile value for applying the vehicle cents-per-mile valuation rule, contact Dan E. Boeskin of the Office of the Associate Chief Counsel (Tax Exempt and Government Entities) at (202) 622-6040 (not toll-free calls).