

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

Rev. Proc. 99-14

SECTION 1. PURPOSE

This revenue procedure provides: (1) limitations on depreciation deductions for owners of passenger automobiles first placed in service during calendar year 1999, including separate limitations on 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 during calendar year 1999, including separate inclusion amounts for electric automobiles; and (3) the maximum allowable value of employer-provided automobiles first made available to employees for personal use in calendar year 1999 for which the vehicle cents-per-mile valuation rule provided under § 1.61-21(e) of the Income Tax Regulations may be applicable. The tables detailing these depreciation limitations and lessee inclusion amounts reflect the automobile price inflation adjustments required by § 280F(d)(7) of the Internal Revenue Code. The maximum allowable automobile value for applying the vehicle cents-per-mile valuation rule reflects the automobile price inflation adjustment of § 280F(d)(7) as required by § 1.61-21(e)(1)(iii)(A).

SECTION 2. BACKGROUND

For owners of automobiles, § 280F(a) imposes dollar limitations on the depreciation deduction for the year that the automobile is placed in service and each succeeding year. In the case of electric automobiles placed in service after August 5, 1997, and before January 1, 2005, § 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 calendar year 1988.

For leased automobiles, § 280F(c) requires a reduction in the deduction allowed to the lessee of the automobile. The reduction must be substantially equivalent to the limitations on the depreciation deductions imposed on owners of 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 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 automobile is first leased.

For 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 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 an automobile first made available after 1988 to any employee of the employer for personal use, the value of the use of the automobile may not be determined under the vehicle cents-per-mile valuation rule for a calendar year if the fair market value of the automobile (determined pursuant to § 1.61-21(d)-(5)(i) through (iv)) on the first date the automobile is made available to the employee exceeds \$12,800 as adjusted by § 280F(d)(7).

SECTION 3. SCOPE AND OBJECTIVE

01. The limitations on depreciation deductions in section 4.02 of this revenue procedure apply to automobiles (other than leased automobiles) that are placed in service in calendar year 1999 and continue to apply for each tax year that the automobile remains in service.

02. The tables in section 4.03 of this revenue procedure apply to leased automobiles for which the lease term begins in calendar year 1999. Lessees of such automobiles must use these tables to determine the inclusion amount for each tax year during which the automobile is leased.

03. *See* Rev. Proc. 96-25, 1996-1 C.B. 681, for information on determining inclusion amounts for automobiles first leased before January 1, 1997; Rev. Proc. 97-20, 1997-1 C.B. 647, for automobiles first leased during calendar year 1997, including electric automobiles first leased on or after January 1, 1997, and before August 6, 1997; Rev. Proc. 98-24, 1998-10 I.R.B. 31, for electric automobiles first leased after August 5, 1997, and before January 1, 1998; and Rev. Proc. 98-30, 1998-17 I.R.B. 6, for all automobiles first leased in calendar year 1998.

04. The maximum fair market value figure in section 4.04(2) of this revenue procedure applies to employer-provided automobiles first made available to any employee for personal use in calendar year 1999. *See* Rev. Proc. 97-20, for the maximum fair market value figure for automobiles first made available in calendar

year 1997; and Rev. Proc. 98-30, for the maximum fair market value figure for automobiles first made available in calendar year 1998.

SECTION 4. APPLICATION

01. A taxpayer placing an automobile in service for the first time during calendar year 1999 is limited to the depreciation deduction shown in Table 1 of section 4.02(2) or, in the case of an electric automobile, Table 2. A taxpayer first leasing an automobile in calendar year 1999 must determine the inclusion amount that is added to gross income using Table 3 of section 4.03 or, in the case of an electric automobile, Table 4. Otherwise, the procedures of § 1.280F-7(a) must be followed. An employer providing an automobile for the first time in calendar year 1999 for the personal use of any employee may determine the value of the use of the automobile by using the cents-per-mile valuation rule in § 1.61-21(e) if the fair market value of the automobile does not exceed the amount specified in section 4.04(2). If the fair market value of the automobile exceeds the amount specified in section 4.04(2), the employer may determine the value of the use of the 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 139.7 for October 1998. The October 1998 index exceeded the October 1987 index by 24.5. The Internal Revenue Service has, therefore, determined that the automobile price inflation adjustment for 1999 is 21.27 percent

(24.5/115.2 × 100%). This adjustment is applicable to all automobiles that are first placed in service in calendar year 1999. The dollar limitations in § 280F(a) must therefore be multiplied by a factor of 0.2127, 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 electric automom-

biles) for 1999. To determine the dollar limitations applicable to an electric automobile first placed in service during calendar year 1999, the dollar limitations in § 280F(a) are tripled in accordance with § 280F(a)(1)(C) and are then multiplied by a factor of 0.2127; the resulting increases, after rounding to the nearest \$100, are added to the tripled 1988 limitations to give the depreciation limitations for 1999.

(2) *Amount of the Limitation.* For automobiles (other than electric automobiles) placed in service in calendar year 1999, Table 1 contains the dollar amount of the depreciation limitations for each tax year. For electric automobiles placed in service in calendar year 1999, Table 2 contains these amounts.

REV. PROC. 99-14 TABLE 1	
DEPRECIATION LIMITATIONS FOR AUTOMOBILES (OTHER THAN ELECTRIC AUTOMOBILES) FIRST PLACED IN SERVICE IN CALENDAR YEAR 1999	
<i>Tax Year</i>	<i>Amount</i>
1st Tax Year	\$3,060
2nd Tax Year	\$5,000
3rd Tax Year	\$2,950
Each Succeeding Year	\$1,775

REV. PROC. 99-14 TABLE 2	
DEPRECIATION LIMITATIONS FOR ELECTRIC AUTOMOBILES FIRST PLACED IN SERVICE IN CALENDAR YEAR 1999	
<i>Tax Year</i>	<i>Amount</i>
1st Tax Year	\$9,280
2nd Tax Year	\$14,900
3rd Tax Year	\$8,950
Each Succeeding Year	\$5,325

03. *Inclusions in Income of Lessees of Automobiles.*

The inclusion amounts for automobiles first leased in calendar year 1999 are cal-

culated under the procedures described in § 1.280F-7(a). Lessees of automobiles other than electric automobiles should use Table 3 in applying these procedures,

while lessees of electric automobiles should use Table 4.

REV. PROC. 99-14 TABLE 3						
DOLLAR AMOUNTS FOR AUTOMOBILES (OTHER THAN ELECTRIC AUTOMOBILES) WITH A LEASE TERM BEGINNING IN CALENDAR YEAR 1999						
Fair Market Value of Automobile		Tax Year During Lease				
		1st	2nd	3rd	4th	5th and Later
Over	Not Over					
\$ 15,500	15,800	2	3	4	4	6
15,800	16,100	4	7	10	13	14
16,100	16,400	6	11	17	20	23
16,400	16,700	8	15	23	28	32
16,700	17,000	10	20	29	35	41
17,000	17,500	13	25	38	45	53

REV. PROC. 99-14 TABLE 3

DOLLAR AMOUNTS FOR AUTOMOBILES (OTHER THAN ELECTRIC AUTOMOBILES)
WITH A LEASE TERM BEGINNING IN CALENDAR YEAR 1999

Fair Market Value of Automobile		Tax Year During Lease				
		1st	2nd	3rd	4th	5th and Later
Over	Not Over					
17,500	18,000	16	32	48	58	68
18,000	18,500	19	39	59	71	82
18,500	19,000	22	47	69	83	96
19,000	19,500	26	53	80	96	111
19,500	20,000	29	61	90	108	126
20,000	20,500	32	68	101	121	140
20,500	21,000	35	75	111	134	155
21,000	21,500	39	82	122	146	169
21,500	22,000	42	89	132	160	183
22,000	23,000	47	100	148	178	206
23,000	24,000	53	114	169	204	235
24,000	25,000	60	128	190	229	264
25,000	26,000	66	142	212	254	293
26,000	27,000	73	156	233	279	322
27,000	28,000	79	171	253	305	351
28,000	29,000	85	185	275	330	380
29,000	30,000	92	199	296	355	410
30,000	31,000	98	214	316	381	439
31,000	32,000	105	227	338	406	468
32,000	33,000	111	242	359	431	497
33,000	34,000	118	256	380	456	527
34,000	35,000	124	270	402	481	556
35,000	36,000	131	284	423	506	585
36,000	37,000	137	299	443	532	614
37,000	38,000	144	313	464	557	643
38,000	39,000	150	327	486	582	672
39,000	40,000	157	341	507	607	702
40,000	41,000	163	355	528	633	731
41,000	42,000	170	369	549	658	760
42,000	43,000	176	384	570	683	789
43,000	44,000	183	398	591	708	819
44,000	45,000	189	412	612	734	848
45,000	46,000	196	426	633	759	877
46,000	47,000	202	441	654	784	906
47,000	48,000	208	455	675	810	935
48,000	49,000	215	469	696	835	964
49,000	50,000	221	483	718	860	993
50,000	51,000	228	497	739	885	1,023
51,000	52,000	234	512	759	911	1,052
52,000	53,000	241	526	780	936	1,081
53,000	54,000	247	540	802	961	1,110
54,000	55,000	254	554	823	986	1,140
55,000	56,000	260	569	843	1,012	1,169
56,000	57,000	267	582	865	1,037	1,198
57,000	58,000	273	597	886	1,062	1,227
58,000	59,000	280	611	907	1,087	1,256
59,000	60,000	286	625	928	1,113	1,285
60,000	62,000	296	646	960	1,151	1,329
62,000	64,000	309	675	1,002	1,201	1,387

REV. PROC. 99-14 TABLE 3

DOLLAR AMOUNTS FOR AUTOMOBILES (OTHER THAN ELECTRIC AUTOMOBILES)
WITH A LEASE TERM BEGINNING IN CALENDAR YEAR 1999

Fair Market Value of Automobile		Tax Year During Lease				
		1st	2nd	3rd	4th	5th and Later
Over	Not Over					
64,000	66,000	322	703	1,044	1,252	1,446
66,000	68,000	335	732	1,086	1,302	1,504
68,000	70,000	348	760	1,128	1,353	1,563
70,000	72,000	361	788	1,171	1,403	1,621
72,000	74,000	374	817	1,212	1,454	1,679
74,000	76,000	387	845	1,255	1,504	1,738
76,000	78,000	399	874	1,297	1,555	1,796
78,000	80,000	412	902	1,339	1,606	1,854
80,000	85,000	435	952	1,413	1,694	1,956
85,000	90,000	467	1,023	1,518	1,821	2,102
90,000	95,000	500	1,094	1,623	1,947	2,248
95,000	100,000	532	1,165	1,729	2,073	2,394
100,000	110,000	581	1,271	1,887	2,263	2,612
110,000	120,000	645	1,414	2,097	2,516	2,904
120,000	130,000	710	1,556	2,308	2,768	3,196
130,000	140,000	775	1,697	2,519	3,021	3,488
140,000	150,000	840	1,839	2,730	3,274	3,779
150,000	160,000	904	1,982	2,940	3,526	4,072
160,000	170,000	969	2,124	3,151	3,779	4,363
170,000	180,000	1,034	2,265	3,362	4,032	4,655
180,000	190,000	1,099	2,407	3,573	4,284	4,947
190,000	200,000	1,163	2,550	3,783	4,537	5,238
200,000	210,000	1,228	2,692	3,994	4,789	5,530
210,000	220,000	1,293	2,833	4,205	5,043	5,822
220,000	230,000	1,358	2,975	4,416	5,295	6,114
230,000	240,000	1,422	3,118	4,626	5,548	6,405
240,000	250,000	1,487	3,260	4,837	5,800	6,697

REV. PROC. 99-14 TABLE 4

DOLLAR AMOUNTS FOR ELECTRIC AUTOMOBILES
WITH A LEASE TERM BEGINNING IN CALENDAR YEAR 1999

Fair Market Value of Automobile		Tax Year During Lease				
		1st	2nd	3rd	4th	5th and Later
Over	Not Over					
\$ 47,000	48,000	7	14	21	26	30
48,000	49,000	14	28	42	51	59
49,000	50,000	20	43	62	77	88
50,000	51,000	27	57	83	102	118
51,000	52,000	33	71	105	127	147
52,000	53,000	39	86	126	151	177
53,000	54,000	46	100	147	177	205
54,000	55,000	52	114	168	202	235
55,000	56,000	59	128	189	228	264
56,000	57,000	65	142	211	253	292
57,000	58,000	72	156	232	278	322
58,000	59,000	78	171	252	304	351
59,000	60,000	85	185	273	329	380
60,000	62,000	95	206	305	367	424
62,000	64,000	107	235	347	417	483
64,000	66,000	120	263	389	468	541
66,000	68,000	133	291	432	518	600
68,000	70,000	146	320	473	569	658
70,000	72,000	159	348	516	619	716
72,000	74,000	172	377	558	669	775
74,000	76,000	185	405	600	720	833
76,000	78,000	198	433	643	771	891
78,000	80,000	211	462	684	822	949
80,000	85,000	234	511	758	910	1,052
85,000	90,000	266	582	864	1,036	1,198
90,000	95,000	298	654	968	1,163	1,343
95,000	100,000	331	724	1,075	1,289	1,489
100,000	110,000	379	831	1,232	1,479	1,708
110,000	120,000	444	973	1,443	1,731	2,000
120,000	130,000	509	1,115	1,654	1,984	2,291
130,000	140,000	574	1,257	1,864	2,237	2,583
140,000	150,000	638	1,399	2,075	2,490	2,875
150,000	160,000	703	1,541	2,286	2,742	3,167
160,000	170,000	768	1,683	2,497	2,994	3,459
170,000	180,000	833	1,825	2,707	3,248	3,750
180,000	190,000	897	1,967	2,918	3,500	4,042
190,000	200,000	962	2,109	3,129	3,753	4,333
200,000	210,000	1,027	2,251	3,340	4,005	4,625
210,000	220,000	1,092	2,393	3,550	4,258	4,917
220,000	230,000	1,156	2,535	3,761	4,511	5,209
230,000	240,000	1,221	2,677	3,972	4,763	5,501
240,000	250,000	1,286	2,819	4,183	5,016	5,792

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 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). The new car component of the CPI was 115.2 for October 1987 and 139.7 for October 1998. The October 1998 index exceeded the October 1987 index by 24.5. The Internal Revenue Service has, therefore, determined that the adjustment for 1999 is 21.27 percent ($24.5/115.2 \times 100\%$). This adjustment is applicable to all employer-provided auto-

mobiles first made available to any employee for personal use in calendar year 1999. The maximum fair market value specified in § 1.61-21(e)(1)(iii)(A) must therefore be multiplied by a factor of 0.2127, and the resulting increase, after rounding to the nearest \$100, is added to \$12,800 to give the maximum value for 1999.

(2) *The Maximum Automobile Value.* For automobiles first made available in calendar year 1999 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 automobile on the date it is first made available does not exceed \$15,500.

SECTION 5. EFFECTIVE DATE

This revenue procedure is effective for automobiles (other than leased automobiles) that are first placed in service during calendar year 1999, to leased automo-

biles that are first leased during calendar year 1999, and to employer-provided automobiles first made available to employees for personal use in calendar year 1999.

DRAFTING INFORMATION

The principal author of this revenue procedure is Bernard P. Harvey of the Office of the Assistant Chief Counsel (Passthroughs and Special Industries). For further information regarding the depreciation limitations and lessee inclusion amounts in this revenue procedure, contact Mr. Harvey at (202) 622-3110; for further information regarding the maximum automobile value for applying the vehicle cents-per-mile valuation rule, contact Ms. Lynne Camillo of the Office of the Associate Chief Counsel (Employee Benefits and Exempt Organizations) at (202) 622-6040 (not toll-free calls).

Part IV. Items of General Interest

Foundations Status of Certain Organizations

Announcement 99-10

The following organizations have failed to establish or have been unable to maintain their status as public charities or as operating foundations. Accordingly, grantors and contributors may not, after this date, rely on previous rulings or designations in the Cumulative List of Organizations (Publication 78), or on the presumption arising from the filing of notices under section 508(b) of the Code. This listing does *not* indicate that the organizations have lost their status as organizations described in section 501(c)(3), eligible to receive deductible contributions.

Former Public Charities. The following organizations (which have been treated as organizations that are not private foundations described in section 509(a) of the Code) are now classified as private foundations:

C and C Outreach, Marrero, LA
Cabin John Baseball Association Inc., Bethesda, MD
Caddo-Bossier Drop Your Guns Inc., Shreveport, LA
Calcasieu Chapter of the Louisiana Council on Child Abuse, Lake Charles, LA
Calcutta Rescue-USA, Memphis, TN
Calhoun County Crime Stoppers Inc., Port Lavaca, TX
California Alliance Against Domestic Violence, Modesto, CA
California Association of Leadership Programs, Sunnyvale, CA
California Council to Promote Self-Esteem and Responsibility, Davis, CA
California Wellness Information Network, Sacramento, CA
CALQED, Sacramento, CA
Calument Ecological Park Association, Chicago, IL
Calvary Chapel of Sparks, Sparks, NV
Calvary Community Corporation, Cincinnati, OH
Calvert County Symphonic Orchestra Boosters Club Inc., St. Leonard, MD
Calvert Farmland Trust Inc., Huntingtown, MD
Cambodian Society of Houston, Houston, TX

Cambridge Alliance Inc., Cambridge, MA
Camden Enterprises and Associates Incorporated, Baltimore, MD
Camp Chase Memorial Association Inc., Galloway, OH
Camp Excel, De Rio, TX
Camp Grandir Inc., St. Paul, MN
Camp Gruber Chapel Fund Inc., Oklahoma City, OK
Cancer Foundation, Spokane, WA
Campbell County Cancer Association Inc., Lafollette, TN
Cancer Pain Relief-Utah Inc., Salt Lake City, UT
Cancer Prevention and Treatment Research Institute of Arizona Inc., Fountain Hills, AZ
Canines Assisting People Inc., Tampa, FL
Canoeing for Kids, Columbia, SC
Canus Games Inc., Auburn, NY
Cape Cod Charities, S. Yarmouth, MA
Cape Cod Wildlife Inc., Mashpee, MA
Cape Verdean Cultural Preservation Council Inc., Annandale, VA
Capitol Area Parent Action, Austin, TX
Capitol East Community Development Corporation, Washington, DC
C A P O N-Cincinnati Area Pediatric Nurses, Cincinnati, OH
Cardinal Scholarship Fund, East Orange, NJ
Care Con Foundation, Westerville, OH
Care House Inc., Detroit, MI
Care International Inc., Boston, MA
Career Education Through Role Models, Denver, CO
Caribbean American Community Comprehensive Center Inc., Brooklyn, NY
Caribbean Cultural Association, Portland, OR
Caring & Loving All Special Persons Inc., Rexford, MT
Caring Concepts Inc., Gonzales, TX
Carlisle Center for Violence Prevention Inc., Carlisle, MA
Carnation-Duvall A S A P Together Community Task Force, Carnation, WA
Carney Classic Foundation, Thorton, IL
CAROB Foundation Inc., New York, NY
Carolyn Darch Ministries Inc., Troy, MI
Carpenters Home Improvement Inc., Milwaukee, WI

Carr Fork Volunteer Fire Department Incorporated, Litt Carr, KY
Carteret AIDS Service Advocacy Inc., AKA CASA Inc., Beaufort, NC
Cary Educational Foundation, Cary, NC
Cassio Eastland Marrow Foundation, Florence, AL
Castle Now and Beyond, Merced, CA
Casual Classics, Gastonia, NC
Catoosa Girls Softball Association, Catoosa, OK
Cats Cause We Care Shelter Inc., Rising Star, TX
Cause Action Now Inc., New York, NY
CCH Lincoln-Glenarm Housing Inc., Denver, CO
C E Byrd Band Booster Club, Shreveport, LA
Cecil A Hill Memorial, Austin, TX
Cedar Ridge Resident Council Inc., Houston, TX
Celebration of Books, Huntsville, AL
Celebration of Women, San Diego, CA
C E Ministries Inc., Oklahoma City, OK
Center City South Town Watch, Philadelphia, PA
Center for Asian Indian Newcomers, San Francisco, CA
Center for Biblical Values Inc., Grand Rapids, MI
Center for Character Education Inc., Skokie, IL
Center for Counseling Alcoholics and Addicts, Phoenix, AZ
Center for D U I Rehabilitation and Education Inc., Coral Gables, FL
Center for Effective Organization, Austin, TX
Center for Environmental Initiatives Inc., Atlanta, GA
Center for Gerontology Inc., Ft. Lauderdale, FL
Center for Human Advancement, El Paso, TX
Center for Indonesian Studies Inc., Sussex, WI
Center for Investment Research, Plano, TX
Center for Joyful Living, Thousand Oaks, CA
Center for Personal Exploration, Cedar Rapids, IA
Center for Rebuilding Americas Schools, Palatine, IL
Center for Social Research, Cambridge, MA