

Method III – Commuting rule

This method may only be used for vehicles covered by a written policy that allows commuting but no other personal use. Do not use this method if the employee is a "control employee" (i.e., they are a 1%-or-more owner, a director, an officer with compensation of \$140,000 or more or an individual with compensation of \$285,000 or more).

Number of commuting round trips made _____

x _____ \$3.00

Value per round trip _____

= \$ _____

Personal use taxable income _____

Method IV – General valuation rule

The general valuation method is determined by the cost an individual would incur to lease the same vehicle under the same terms in the same geographic area.

Annual lease value table

Automobile fair market value	Annual lease value
1,000–1,999	850
2,000–2,999	1,050
3,000–3,999	1,350
4,000–4,999	1,450
5,000–5,999	1,850
6,000–6,999	2,050
7,000–7,999	2,350
8,000–8,999	2,650
9,000–9,999	2,850
10,000–10,999	3,100
11,000–11,999	3,350
12,000–12,999	3,550
13,000–13,999	3,850
14,000–14,999	4,150
15,000–15,999	4,350
16,000–16,999	4,600
17,000–17,999	4,850
18,000–18,999	5,100
19,000–19,999	5,350
20,000–20,999	5,600
21,000–21,999	5,850

Automobile fair market value	Annual lease value
22,000–22,999	6,100
23,000–23,999	6,350
24,000–24,999	6,600
25,000–25,999	6,850
26,000–27,999	7,100
28,000–29,999	7,750
30,000–31,999	8,100
32,000–33,999	8,750
34,000–35,999	9,250
36,000–37,999	9,750
38,000–39,999	10,250
40,000–41,999	10,750
42,000–43,999	11,250
44,000–45,999	11,750
46,000–47,999	12,250
48,000–49,999	12,750
50,000–51,999	13,250
52,000–53,999	13,750
54,000–55,999	14,250
56,000–57,999	14,750
58,000–59,999	15,250

For vehicles having a fair market value over \$59,999, the annual lease value is equal to: (0.25 x automobile fair market value) + \$500.