

**ADMINISTRATIVE PRACTICE LETTER**

**SUBJECT: WITHHOLDING AND REPORTING FOR PERSONAL USE OF EMPLOYER  
PROVIDED VEHICLES**

Attachment II

UNIVERSITY OF MAINE SYSTEM

**SAMPLE Annual-Lease Valuation Rule Calculation**

Annual-Lease Valuation Rule

Fair Market Value of Vehicle \$29,000.00

Annual-Lease Value from IRS Table \$ 7,750.00

Miles Driven for Year:

Business	13,650	91%
Personal	<u>1,350</u>	<u>9%</u>
Total	15,000	100%

Fair Market Value of Fuel Provided by the University

5.5 cents times 15,000 miles \$ 825.00

Total Value of Vehicle

\$7,750 + \$825 \$ 8,575.00

Personal Use Value of Vehicle

9% times \$8,575 \$ 771.75

Monthly Value of Personal Use

1/12 times \$771.75 \$ 64.31