

2021 Lease Inclusion Indexing

Internal Revenue Code (IRC) Section 280F(c) imposes inclusion amounts as determined by the Secretary in Federal Regulation Section 26 CFR 1.280F-7. For passenger automobiles placed in service after 1988, IRC Section 280F(d)(7) requires the amounts allowable as a depreciation deduction to be indexed by a price inflation adjustment amount. The Tax Cuts and Jobs Act signed into law on December 22, 2017, changed the dollar limitation amounts.

California's general specified date of conformity is January 1, 2015; therefore, California does not conform to the new limitations.

In applying these procedures, lessees of passenger automobiles other than trucks and vans should use Table 1 of this memo, while lessees of trucks and vans should use Table 2 of this memo.

For taxable year 2021, the inclusion amounts are the following:

Table 1: Dollar Amounts For Passenger Automobiles (That Are Not Trucks Or Vans) With A Lease Term Beginning In Calendar Year 2021

Fair Market Value of Passenger Automobile		Tax Year During Lease				
Over	Not Over	1st	2nd	3rd	4th	5th & Later
\$19,000	\$19,500	\$6	\$14	\$20	\$23	\$27
19,500	20,000	7	16	23	27	31
20,000	20,500	8	18	26	30	35
20,500	21,000	9	20	28	35	39
21,000	21,500	10	21	32	38	44
21,500	22,000	11	23	35	42	47
22,000	23,000	12	27	39	47	53
23,000	24,000	14	31	45	54	63
24,000	25,000	16	34	52	62	71
25,000	26,000	18	38	59	69	79
26,000	27,000	19	43	64	76	88
27,000	28,000	21	47	70	83	96
28,000	29,000	23	51	76	90	104
29,000	30,000	25	55	81	98	113
30,000	31,000	27	59	88	105	121
31,000	32,000	29	63	94	112	129
32,000	33,000	30	68	100	119	137
33,000	34,000	32	72	105	127	145
34,000	35,000	34	76	111	134	153
35,000	36,000	36	80	117	141	161
36,000	37,000	38	83	124	148	171
37,000	38,000	40	87	130	155	179
38,000	39,000	41	92	135	162	188
39,000	40,000	43	96	141	170	196
40,000	41,000	45	100	147	177	204
41,000	42,000	47	104	153	184	212
42,000	43,000	49	107	160	191	220
43,000	44,000	50	112	165	199	228
44,000	45,000	52	116	172	206	236
45,000	46,000	54	120	178	213	245
46,000	47,000	57	124	184	220	253
47,000	48,000	59	128	189	227	262
48,000	49,000	61	131	196	234	270
49,000	50,000	62	136	202	241	278
50,000	51,000	64	140	208	248	287
51,000	52,000	66	144	213	256	295
52,000	53,000	68	148	219	263	304
53,000	54,000	70	152	225	270	312
54,000	55,000	71	156	231	277	321
55,000	56,000	73	160	237	285	329
56,000	57,000	75	164	243	292	337
57,000	58,000	77	169	249	299	345
58,000	59,000	79	173	255	306	353
59,000	60,000	81	176	262	313	362
60,000	62,000	83	183	270	324	374
62,000	64,000	87	191	283	338	390
64,000	66,000	91	199	295	352	408
66,000	68,000	94	207	307	367	424
68,000	70,000	98	215	318	382	440
70,000	72,000	102	223	330	397	457
72,000	74,000	105	231	342	411	474
74,000	76,000	109	239	354	425	490
76,000	78,000	112	247	366	440	507
78,000	80,000	116	255	378	454	523
80,000	85,000	123	269	400	478	553

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Table 1: Dollar Amounts For Passenger Automobiles (That Are Not Trucks Or Vans) With A Lease Term Beginning In Calendar Year 2021

Fair Market Value of Passenger Automobile		Tax Year During Lease				
Over	Not Over	1st	2nd	3rd	4th	5th & Later
\$ 85,000	\$ 90,000	\$ 132	\$ 290	\$ 429	\$ 516	\$ 593
90,000	95,000	141	310	459	551	636
95,000	100,000	150	330	489	586	677
100,000	110,000	163	360	535	641	740
110,000	120,000	183	401	594	712	822
120,000	130,000	201	441	655	784	906
130,000	140,000	219	481	714	857	989
140,000	150,000	237	522	775	928	1,072
150,000	160,000	256	562	834	1,000	1,155
160,000	170,000	274	602	895	1,072	1,238
170,000	180,000	293	643	954	1,144	1,321
180,000	190,000	311	683	1,015	1,216	1,403
190,000	200,000	329	724	1,074	1,288	1,486
200,000	210,000	348	764	1,134	1,360	1,570
210,000	220,000	366	804	1,195	1,432	1,653
220,000	230,000	384	845	1,255	1,503	1,736
230,000	240,000	403	886	1,314	1,576	1,819
240,000	and over	422	925	1,374	1,648	1,902

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2021 Lease Inclusion Indexing – Table 2

Table 2: Dollar Amounts For Trucks and Vans With A Lease Term Beginning In Calendar Year 2021

Fair Market Value of Truck or Van		Tax Year During Lease				
Over	Not Over	1st	2nd	3rd	4th	5th & Later
\$ 19,500	\$ 20,000	\$ 4	\$ 8	\$ 11	\$ 13	\$ 16
20,000	20,500	4	10	14	17	20
20,500	21,000	5	12	17	21	23
21,000	21,500	6	14	20	24	28
21,500	22,000	7	16	23	28	32
22,000	23,000	9	19	27	33	38
23,000	24,000	10	23	34	40	46
24,000	25,000	12	27	39	48	55
25,000	26,000	14	31	45	56	63
26,000	27,000	16	35	51	63	72
27,000	28,000	18	39	58	70	80
28,000	29,000	19	43	64	77	89
29,000	30,000	21	47	70	84	97
30,000	31,000	23	51	76	91	105
31,000	32,000	25	56	82	98	113
32,000	33,000	27	60	88	105	121
33,000	34,000	29	64	94	112	130
34,000	35,000	30	68	100	120	137
35,000	36,000	32	72	106	127	146
36,000	37,000	34	76	112	134	154
37,000	38,000	36	80	118	141	163
38,000	39,000	38	84	123	149	171
39,000	40,000	40	88	129	156	179
40,000	41,000	41	92	136	163	188
41,000	42,000	43	96	142	170	196
42,000	43,000	45	100	147	178	205
43,000	44,000	47	104	153	185	213
44,000	45,000	49	108	159	192	221
45,000	46,000	50	112	167	198	230
46,000	47,000	52	116	172	206	238
47,000	48,000	55	120	178	213	246
48,000	49,000	57	124	184	220	254
49,000	50,000	59	128	190	227	263
50,000	51,000	61	132	196	234	272
51,000	52,000	62	136	202	242	280
52,000	53,000	64	140	208	249	288
53,000	54,000	66	144	214	256	296
54,000	55,000	68	148	220	263	304
55,000	56,000	70	152	226	270	312
56,000	57,000	71	156	232	278	321
57,000	58,000	73	160	238	285	329
58,000	59,000	75	165	244	292	338
59,000	60,000	77	169	250	299	346
60,000	62,000	80	175	258	311	358
62,000	64,000	83	183	272	324	375
64,000	66,000	87	191	283	339	392
66,000	68,000	91	199	295	353	408
68,000	70,000	94	207	307	368	424
70,000	72,000	98	215	319	383	441
72,000	74,000	102	223	331	397	457
74,000	76,000	105	231	343	411	474
76,000	78,000	109	239	355	425	492
78,000	80,000	112	247	367	440	508
80,000	85,000	119	261	388	465	537
85,000	90,000	128	282	418	502	578
90,000	95,000	137	302	448	537	620
95,000	100,000	146	322	478	572	662
100,000	110,000	160	352	523	627	724
110,000	120,000	179	393	583	698	807
120,000	130,000	197	433	643	771	890
130,000	140,000	215	474	702	843	973
140,000	150,000	234	514	763	914	1,057
150,000	160,000	252	554	824	986	1,140
160,000	170,000	270	594	883	1,059	1,222
170,000	180,000	289	636	943	1,130	1,305
180,000	190,000	308	675	1,003	1,202	1,389
190,000	200,000	326	716	1,064	1,274	1,472
200,000	210,000	344	757	1,122	1,346	1,554

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2021 Lease Inclusion Indexing – Table 2 Continued

Table 2: Dollar Amounts For Trucks and Vans With A Lease Term Beginning In Calendar Year 2021

Fair Market Value of Truck or Van		Tax Year During Lease				
Over	Not Over	1st	2nd	3rd	4th	5th & Later
\$ 210,000	\$ 220,000	\$ 362	\$ 797	\$ 1,183	\$ 1,418	\$ 1,638
220,000	230,000	381	838	1,242	1,491	1,721
230,000	240,000	400	878	1,302	1,562	1,804
240,000	and over	418	918	1,363	1,634	1,887