



Info-Bulletin for FACT Members

IRS Has Increased the Standard Mileage Rates for Business Driving.

The IRS has increased the standard mileage rate deduction for business driving from 50.5¢ per mile to 58.5¢ per mile. The 50.5¢ rate should be applied to miles driven between January 1, 2008, and June 30, 2008 -- the 58.5¢ rate should be applied to miles driven between July 1, 2008, and December 31, 2008. (The rate in 2007 was just 48.5¢.)

The business standard mileage rate is used to compute the deductible costs of operating an automobile for business use in lieu of tracking actual costs. This rate is also used as a benchmark by the federal government and many businesses to reimburse their employees for mileage. Taxpayers have the option of calculating actual costs instead of using the standard mileage rate.

Another change ...

For miles driven either for medical purposes or moving, the rate has been increased from 19¢ to 27¢ per mile.

Driving in conjunction with charitable activities is set by statute rather than the IRS, and has not changed ... it remains at 14¢ per mile.

This bulletin is part of FACT's on-going effort to keep members apprised of matters which could impact their lives. For additional information on a variety of important topics, please read back issues of [FACTFinder](#) and/or copies of FACT's weekly "[Eye-on-Washington](#)" Reports.