

June 14, 2022

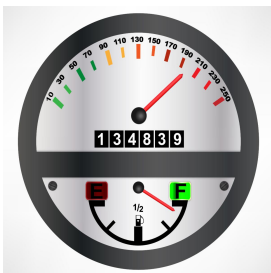
IRS Increases Mileage Rates

On Thursday, June 9th, 2022, the IRS announced an increase in the optional standard mileage rates for 2022. (Notice 2022-03). “The IRS is adjusting the standard mileage rates to better reflect the recent increase in fuel prices,” per IRS Commissioner Chuck Rettig.

Below are the current rates through June 30th and the new rates that will begin as of July 1st, 2022.

Purpose	Rates 1/1 – 6/30/2022	Rates 7/1 – 12/31/2022
Business	58.5	62.5
Medical/Moving	18	22
Charitable	14	14

As of July 1st, 2022, the standard mileage rate for businesses will increase 4 cents per mile from the first half of the 2022 tax year to reflect the significant increase in fuel prices across the country. Likewise, the standard mileage rate for medical, as well as specifically allowed moving purposes, has also increased 4 cents per mile from the initial 2022 rates.



Each year, these two rates are adjusted based on an annual study of various costs of operating an automobile. The standard mileage rate for charitable service will remain the same at 14 cents per mile since this rate is set by statute.

As always, taxpayers continue to have the option to calculate the actual costs of using their vehicle, instead of using the standard mileage rates.

It is essential to know that under the Tax Cuts and Jobs Act, taxpayers cannot claim a miscellaneous itemized deduction for unreimbursed employee travel expenses and cannot claim a deduction for moving expenses, unless they are members of the Armed Forces on active duty moving under orders to a permanent change of station. They will also be required to use the revised business standard mileage rates provided above.



These new standard mileage rates should be incorporated when filing for the 2022 tax year. If you need any help determining which changes affect your business, we would be happy to assist you. Please do not hesitate to call or email info@griffing.com at Griffing & Company, P.C. for help with these or any other questions you may have.

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