

## **Automobile Mileage Reimbursement**

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### **POLICY STATEMENT**

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Employees who use their personal vehicles for business purposes may be eligible for reimbursement based on the IRS authorized mileage reimbursement rate which the University has currently adopted.

Effective January 1, 2017, the business standard mileage rate will decrease to 53.5 cents-per-mile, a one-half-cent decrease from the previous rate of 54 cents that had been previously authorized effective January 1, 2016 by the IRS. Please note that the standard mileage rate to use when reimbursing moving expenses has also decreased to 17 cents a mile from the previous 19 cents a mile for calendar year 2016.

The business standard mileage rate is used to compute the deductible costs of operating an automobile for business use in lieu of the extra burden of tracking actual costs. The standard mileage rates for business and moving purposes are based on an annual study by the IRS of the fixed and variable costs of operating an automobile. While gasoline is a major factor in the mileage figure, other items enter into the calculation of mileage rates, such as the price of new vehicles and insurance. An independent contractor conducts the study on behalf of the IRS.

Following is a comparison of the rates in effect for the current year and past 3 years:

| <b>Reimbursement Period</b> | <b>Business Standard Mileage</b> | <b>Moving Expense Mileage</b> |
|-----------------------------|----------------------------------|-------------------------------|
| January 1-December 31, 2017 | \$0.535                          | \$0.17                        |
| January 1-December 31, 2016 | \$0.54                           | \$0.19                        |
| January 1-December 31, 2015 | \$0.575                          | \$0.23                        |
| January 1-December 31, 2014 | \$0.56                           | \$0.235                       |

If you have any questions about this change or any other travel issue, please contact A/P Compliance at 574-631-3936.