

Controller's Office

Phone (574) 631-3288
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TO: All Faculty and Staff
FROM: Rick Klee, Tax Director
DATE: January 1, 2009
RE: Updated Automobile Mileage Reimbursement Rate

New Mileage Reimbursement Rate for 2009

Effective January 1, 2009, the new business standard mileage rate for employees who use their own vehicles for business purposes will be 55 cents-per-mile, a decrease from the 58.5 cents previously authorized by the IRS in July, 2008. Mileage incurred on and subsequent to January 1, 2009 will be reimbursed at the new rate. Please note that the standard mileage rate to use when reimbursing moving expenses is also decreased from 27 cents to 24 cents a mile for calendar 2009.

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 past 3 years:

Reimbursement Period	Business Standard Mileage	Moving Expense Mileage
January 1-December 31, 2009	\$0.55	\$0.24
July 1-December 31, 2008	\$0.585	\$0.27
January 1-June 30, 2008	\$0.505	\$0.19
January 1-December 31, 2007	\$0.485	\$0.20

If you have any questions about this change or any other travel issue, please call Jackie Fuzey @1-3936, Becky Laskowski @ 1-7051 or Rick Klee @1-3288.