

Controller's Office

Phone (574) 631-3288
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TO: All Faculty and Staff
FROM: Rick Klee, Tax Director
DATE: July 1, 2008
RE: Updated Automobile Mileage Reimbursement Rate

New Mileage Reimbursement Rate for Remainder of 2008

Effective July 1, 2008, the new business standard mileage rate for employees who use their own vehicles for business purposes will be 58.5 cents-per-mile, an increase from the 50.5 cents previously authorized by the IRS at the beginning of calendar 2008. Mileage incurred on and subsequent to July 1, 2008 will be reimbursed at the new rate. Please note that the standard mileage rate to use when reimbursing moving expenses is also increased from 19 cents to 27 cents a mile for the remainder of calendar 2008.

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. This special mid-year adjustment is a result of the dramatic increase in gas prices during the first half of 2008.

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

Reimbursement Period	Business Standard Mileage	Moving Expense Mileage
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
January 1-December 31, 2006	\$0.445	\$0.18

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.