

# IRS Increases Mileage Rates for Remainder of 2022

by Lori Lemmer

The IRS has announced an increase in the standard mileage rate for the final 6 months of 2022. Taxpayers may use the standard mileage rates to calculate the deductible costs of operating an automobile for business and certain other purposes. This rate is also used as a benchmark by the federal government and many businesses to reimburse their employees for mileage.

Midyear increase in the mileage rates are rare, the last time IRS made such an increase was in 2011.

## Mileage Rate Changes

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

- 62.5 cents per mile driven for business use from 7/1/22 through 12/31/22
- 22 cents per mile driven for medical from 7/1/22 through 12/31/22
- 14 cents per mile driven in service of charitable organizations (remains unchanged)

While fuel costs are a significant factor in the mileage figure, other items enter into the calculation of mileage rates, such as depreciation and insurance and other fixed and variable costs.

Taxpayers always have the option of calculating the actual costs of using their vehicle rather than using the standard mileage rates. You're allowed to use the standard mileage rate only if you use it the first year you use your car for business. If you use the actual expense method in the first year, you will have to continue to use this method for as long as you own the vehicle.

If you use the actual expense method, in addition to tracking your mileage, you must keep track of all your car expenses, including gas, insurance, and repairs. You then deduct the business percentage of these expenses. You are also allowed to deduct an amount for depreciation each year.

Mileage rates for 2023 will be released at a later date.

Thank you,

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