

## Mileage Rates for 2020 By Diane Osborne

The IRS issued the 2020 optional standard mileage rates used to calculate the deductible costs of operating an automobile for business, charitable, medical or moving purposes. Beginning on January 1, 2020, the standard mileage rates for the use of a car (also vans, pickups or panel trucks) will be:

- 57.5 cents per mile driven for business use, down one half of a cent from the rate for 2019.
- 17 cents per mile driven for medical or moving purposes, down three cents from the rate for 2019.
- 14 cents per mile driven in service of charitable organizations.

It is important to note that under the Tax Cuts and Jobs Act, taxpayers cannot claim a miscellaneous itemized deduction for unreimbursed employee travel expenses. Taxpayers also cannot claim a deduction for moving expenses, except members of the Armed Forces on active duty moving under orders to a permanent change of station.

Taxpayers always have the option of calculating the actual costs of using their vehicle rather than using the standard mileage rates.

A taxpayer may not use the business standard mileage rate for a vehicle after using any depreciation method under the Modified Accelerated Cost Recovery System (MACRS) or after claiming a Section 179 deduction for that vehicle. In addition, the business standard mileage rate cannot be used for more than five vehicles used simultaneously.

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Thank you,

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