

2011 Standard Mileage Rates Released

The IRS just released the 2011 mileage rates to be used by employees, self-employed individuals and other taxpayers to compute deductible costs of operating an automobile (including vans, pickups and panel trucks) for business, medical, moving and charitable purposes. These rates are established based on an annual study conducted by an independent contractor on behalf of the IRS, which analyzes fixed and variable costs of operating an automobile.

The 2011 rates for business purposes will be 51 cents per mile, a 1 cent per mile increase from the 2010 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 any vehicle used for hire or for more than four vehicles used simultaneously.

The standard mileage rate for medical and moving expenses will be 19 cents per mile. This represents a 2.5 cent per mile increase from 2010. The standard mileage rate for charitable purposes will be 14 cents per mile, the same rate as in 2010. The charitable rate is determined under the Internal Revenue Code.