

IRS ANNOUNCES 2001 STANDARD MILEAGE RATES

WASHINGTON –The Internal Revenue Service announced Thursday the optional standard mileage rates to use for 2001 in computing the deductible costs of operating an automobile for business, charitable, medical or moving expense purposes.

The amounts for the various deductible costs for use of a car will be effective January 1, 2001 and are as follows:

- The standard mileage rate for the cost of operating a car is 34.5 cents a mile for all business miles driven. The rate for 2000 was 32.5 cents a mile.
- The standard mileage rate for the use of a car when giving services to a charitable organization remains at 14 cents a mile.
- The standard mileage rate for use of your car for medical reasons is 12 cents a mile. The previous rate was 10 cents a mile.
- The standard mileage rate to use when computing deductible moving expenses is 12 cents a mile. The previous amount was 10 cents a mile.

The primary reason for the mileage rate increases is due to the jump in gasoline prices.

The standard mileage rates for business, medical and moving purposes are based on an annual study of the fixed and variable costs of operating an automobile. An independent contractor conducted the study on behalf of the IRS. The charitable standard mileage rate is provided by law.

Revenue Procedure 2000-48 was released Thursday to formally announce these standard mileage rates. It contains additional information on these rates and it will appear in Internal Revenue Bulletin 2000-49 dated December 4, 2000.

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