

IRS**News Release****Media Relations Office****Washington, D.C.****Tel. 202.622.4000****For Release: 9/18/02****Release No: IR-2002-100****IRS ANNOUNCES 2003 STANDARD MILEAGE RATES**

WASHINGTON –The Internal Revenue Service today announced the optional standard mileage rates to use for 2003 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, 2003, and are as follows:

- The standard mileage rate for the use of a car for business purposes is 36 cents a mile for all business miles driven, down from 36.5 cents a mile in 2002.
- 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 the use of a car for medical reasons is 12 cents a mile, down from 13 cents a mile in 2002.
- The standard mileage rate to use when computing deductible moving expenses is 12 cents a mile, down from 13 cents a mile in 2002.

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. The primary reason for the mileage rate decreases is the decline in fuel prices during the study period, which ended on June 30. An independent contractor conducted the study on behalf of the IRS. The charitable standard mileage rate is set by law.

Revenue Procedure 2002-61 contains additional information on these standard mileage rates. It will appear in Internal Revenue Bulletin 2002-39, dated September 30, 2002. It will also be available through the "Advance Notice for Tax Professionals" section of the IRS Web site at www.irs.gov.

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