



DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

OFFICE OF
CHIEF COUNSEL

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Senator Bob Corker
United States Senate
Washington, DC 20510

Attention:

Dear Senator Corker:

I am responding to your inquiry dated August 30, 2007, on behalf of a constituent. Your constituent asked why the charitable standard mileage rate differs from the business standard mileage rate.

In the Taxpayer Relief Act of 1997, the Congress set the charitable standard mileage rate at 14 cents per mile. Unlike the other standard mileage rates, we cannot change the deduction for charitable mileage to reflect the current price of variable costs, such as gasoline and oil. Only the Congress can change the charitable standard mileage rate.

We base the standard mileage rates for business, medical, and moving mileage on an annual study done by an independent contractor. The business standard mileage rate depends on all the fixed and variable costs of operating an automobile, including depreciation (or lease payments), insurance, registration fees, maintenance, tires, gasoline, and oil. By contrast, we base the standard mileage rate for medical and moving costs only on the variable costs, such as gasoline and oil.

I hope this information is helpful. If I can assist you further, please contact me or
at () .

Sincerely,

Kathleen Reed
Chief, Branch 7
Office of the Associate Chief Counsel
(Income Tax and Accounting)