



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

OFFICE OF
CHIEF COUNSEL

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Dear _____ :

I am responding to your letter to Commissioner Douglas H. Shulman, dated August 13, 2009. You suggested that we publish a standard mileage rate for business use of a motorcycle, similar to the rate used by the General Services Administration to reimburse the business use of a motorcycle by federal employees.

The actual cost of operating any means of transportation, including automobiles, motorcycles, aircraft, and boats, may be deducted as long as the amount of business use is substantiated through appropriate recordkeeping. The Internal Revenue Service publishes annually a per-mile deduction rate (the "standard mileage rate") for business use of an automobile for which simplified substantiation requirements apply, as an alternative to the recordkeeping required to deduct the actual costs of operating the automobile. The standard mileage rate also represents the maximum per-mile rate at which an employer may reimburse an employee for the employee's business use of the employee's automobile without triggering inclusion of the reimbursement in the employee's income. The standard mileage rate is calculated each year based upon a complex study of actual costs for a range of representative automobiles.

We are currently in the process of preparing our standard mileage rate guidance for calendar year 2010. As part of that process, we are examining whether we can extend the use of the automobile standard mileage rate to motorcycles.

I hope our response is helpful. If I can assist you further, please contact me or
, Identification Number , at .

Sincerely,

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