

**WARREN COUNTY
OFFICE OF THE COUNTY ADMINISTRATOR**

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MEMORANDUM

DATE: December 31, 2019

TO: All Department Heads

FROM: Ryan R. Moore, Warren County Administrator

RE: Mileage Rate

Resolution No. 34 of 1991 provided that the mileage rate for employees will follow and be equal to the Internal Revenue Code Rules and Regulations as amended from time to time.

Please be advised that the IRS standard mileage rate will be decreased to 57.5 cents per mile beginning January 1, 2020. Therefore, all expense vouchers submitted for travel after January 1, 2020 may be submitted for reimbursement at 57.5 cents per mile.

Please refer to the County travel policy for further details of travel requirements. If there are any questions, please feel free to contact my office.

RRM:kmm

Encl.

cc: All Members of the Board of Supervisors



IRS issues standard mileage rates for 2020

IR-2019-215, December 31, 2019

WASHINGTON — The Internal Revenue Service today issued the 2020 optional standard mileage rates (PDF) used to calculate the deductible costs of operating an automobile for business, charitable, medical or moving purposes.

Beginning on January 1, 2020, the standard mileage rates for the use of a car (also vans, pickups or panel trucks) will be:

- 57.5 cents per mile driven for business use, down one half of a cent from the rate for 2019,
- 17 cents per mile driven for medical or moving purposes, down three cents from the rate for 2019, and
- 14 cents per mile driven in service of charitable organizations.

The business mileage rate decreased one half of a cent for business travel driven and three cents for medical and certain moving expense from the rates for 2019. The charitable rate is set by statute and remains unchanged.

It is important to note that under the Tax Cuts and Jobs Act, taxpayers cannot claim a miscellaneous itemized deduction for unreimbursed employee travel expenses. Taxpayers also cannot claim a deduction for moving expenses, except members of the Armed Forces on active duty moving under orders to a permanent change of station. For more details, see Rev. Proc. 2019-46 (PDF).

The standard mileage rate for business use is based on an annual study of the fixed and variable costs of operating an automobile. The rate for medical and moving purposes is based on the variable costs.

Taxpayers always have the option of calculating the actual costs of using their vehicle rather than using the standard mileage 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 more than five vehicles used simultaneously. These and other limitations are described in section 4.05 of Rev. Proc. 2019-46 (PDF).

Notice 2020-05 (PDF), posted today on IRS.gov, contains the standard mileage rates, the amount a taxpayer must use in calculating reductions to basis for depreciation taken under the business standard mileage rate, and the maximum standard automobile cost that a taxpayer may use in computing the allowance under a fixed and variable rate plan. In addition, for employer-provided vehicles, the Notice provides the maximum fair market value of automobiles first made available to employees for personal use in calendar year 2020 for which employers may use the fleet-average valuation rule in § 1.61-21(d)(5)(v) or the vehicle cents-per-mile valuation rule in § 1.61-21(e).

Page Last Reviewed or Updated: 31-Dec-2019