



TaxNewsFlash

United States

No. 2017-559
December 14, 2017

Notice 2018-03: Standard mileage rates, increases for 2018

The IRS today issued an advance version of Notice 2018-03 providing the standard mileage rates for taxpayers to use in computing the deductible costs of operating an automobile for business, charitable, medical or moving purposes in 2018.

Notice 2018-03 [PDF 13 KB] provides that beginning January 1, 2018, the standard mileage rates for the use of a car (also vans, pickups or panel trucks) will be:

- 54.5 cents per mile for business miles driven (up from 53.5 cents per mile for 2017)
- 18 cents per mile driven for medical or moving purposes (up from 17 cents per mile for 2017)
- 14 cents per mile driven in service of charitable organizations (no change)

Read a related IRS release, **[IR-2017-204](#)**

Depreciation-related calculation

In addition to providing the standard mileage rates, Notice 2018-03 provides the amount taxpayers must use in calculating reductions to basis for depreciation taken under the business standard mileage rate, and the maximum standard automobile cost that may be used in computing the allowance under a fixed and variable rate (FAVR) plan.

For an automobile the taxpayer owns and uses for business purposes, 25 cents of the 54.5 cents per mile rate in 2018 is attributable to depreciation expense (no change from the amount allowed for 2017).

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