



TaxNewsFlash

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Notice 2019-02: Standard mileage rates for 2019

The IRS today issued an advance version of Notice 2019-02 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 2019.

[Notice 2019-02](#) [PDF 16 KB] provides that beginning January 1, 2019, the standard mileage rates for the use of a car (also vans, pickups or panel trucks) will be:

- 58 cents per mile for business miles driven (up from 54.5 cents per mile for 2018)
- 20 cents per mile driven for medical or moving purposes (up from 18 cents per mile for 2018) (the deduction for moving expenses was suspended for taxpayers other than active-duty members of the U.S. Armed Forces, described below)
- 14 cents per mile driven in service of charitable organizations (no change)

Effects of new tax law

A provision of the new U.S. tax law (Pub. L. No. 115-97, enacted December 22, 2017) suspends all miscellaneous itemized deductions that are subject to the 2% of adjusted gross income floor, including unreimbursed employee travel expenses, for tax years beginning after December 31, 2017, and before January 1, 2026. Thus, the business standard mileage rate provided by Notice 2019-02 cannot be used to claim an itemized deduction for unreimbursed employee travel expenses during the suspension. However, deductions for expenses that are deductible in determining adjusted gross income are not suspended. For example, members of a reserve component of the U.S. Armed Forces, state or local government officials paid on a fee basis, and certain performing artists are entitled to deduct unreimbursed employee travel expenses as an adjustment to total income (not as an itemized deduction) and therefore may continue to use the business standard mileage rate.

The standard mileage rate deduction for moving expenses was suspended for tax years beginning after December 31, 2017, and before January 1, 2026. However, the suspension does not apply to members of the U.S. Armed Forces on active duty who move pursuant to a military order and incident to a permanent change of station. Thus, except for these taxpayers, the standard mileage rate provided by Notice 2019-02 does not apply for the use of an automobile as part of a move occurring during the suspension.

Depreciation-related calculation

In addition to providing the standard mileage rates, Notice 2019-02 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, 26 cents of the 54.5 cents per mile rate in 2019 is attributable to depreciation expense (up from 25 cents per mile for 2018).

Read a related IRS release: [IR-2018-251](#)

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