



# TaxNewsFlash

United States



No. 2019-622  
December 31, 2019

## Notice 2020-05: Standard mileage rates for 2020

The IRS today issued an advance version of Notice 2020-05 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 2020.

**Notice 2020-05** [PDF 72 KB] provides that beginning 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 for business miles driven (reduced from 58 cents per mile for 2019)
- 17 cents per mile driven for medical or moving purposes (reduced from 20 cents per mile for 2019) (the deduction for moving expenses was suspended for taxpayers other than active-duty members of the U.S. Armed Forces)
- 14 cents per mile driven in service of charitable organizations (no change)

In addition to providing the standard mileage rates, Notice 2020-05 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, 27 cents of the 57.5 cents per mile rate in 2020 is attributable to depreciation expense (up from 26 cents per mile for 2019).

Read related IRS release—[IR-2019-215](#) (December 31, 2019).

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