



BUSINESS STANDARD MILEAGE RATE INCREASES FOR 2023

From the Journal of Accountancy by Martha Waggoner

The IRS increased the optional standard mileage rate used to calculate the deductible costs of operating a vehicle for business to 65.5 cents per mile driven, up 3 cents from a rare midyear increase in 2022. The increased rate was effective as of Jan. 1, 2023 ([Notice 2023-03](#)).

The notice sets the 2023 standard mileage rates at 22 cents per mile driven for medical or moving purposes for qualified active-duty members of the armed forces. This is the same as the higher midyear rate for the second half of 2022.

The rate per mile driven in service of charitable organizations is 14 cents, which is set by statute and unchanged from 2022.

The rates apply to electric and hybrid-electric automobiles, as well as gasoline and diesel-powered vehicles.

The portion of the business standard mileage rate that is treated as depreciation for purposes of calculating reductions to basis will be 28 cents per mile for 2023.

In June 2022, the IRS implemented a midyear increase, setting the standard mileage rate for purposes of deductible business expense at 62.5 cents per mile ([Announcement 2022-13](#)). The rate, applicable for travel on or after July 1, 2022, was an increase of 4 cents per mile from the 58.5 cents per mile that the agency had set on Jan. 1, 2022.

Taxpayers can calculate the actual costs of using their vehicle rather than using the standard mileage rates.