



BUSINESS STANDARD MILEAGE RATE INCREASES FOR 2024

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 67 cents per mile driven, up 1.5 cents from 2023. The increased rate is effective as of Jan. 1, 2024 ([Notice 2024-08](#)).

The notice, released Thursday, December 14, sets the 2024 standard mileage rates at 21 cents per mile driven for medical or moving purposes for qualified active-duty members of the armed forces, 1 cent less than the previous year.

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 30 cents per mile for 2024.

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

Notice 2024-08 also provides the maximum standard automobile cost under a fixed-and-variable-rate (FAVR) plan of \$62,000 for automobiles (including trucks and vans), up \$1,200 from 2023. Under a FAVR plan, a standard amount is deemed substantiated for an employer's reimbursement to employees for expenses they incur in driving their vehicle in performing services as an employee for the employer.

For purposes of the fleet-average valuation rule in Regs. Sec. 1.61-21(d)(5)(v) and the vehicle cents-per-mile rule under Regs. Sec. 1.61-21(e), \$62,000 is also the maximum fair market value of automobiles (including trucks and vans) first made available in calendar year 2024.