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HR News Alerts: IRS Raises Standard Mileage Rates for Second Half of 2022

Change Is a Result of Gas Price Increases

For the first time since 2011, the IRS has made a mid-year adjustment to the optional mileage rate used to calculate the deductible costs of operating an automobile for business and certain other purposes. The agency said the change is in recognition of recent gasoline price increases.

Rate Increase

In [Announcement2022-13](#), released June 9, 2022, the IRS increased the standard mileage rate for the final six months of 2022, starting July 1. During that period, the standard mileage rate for business travel will be **62.5 cents per mile**, up four cents from the rate effective at the start of the year.

The new rate for deductible medical or moving expenses (available for active-duty members of the military) will be **22 cents** for the remainder of 2022, up four cents from the rate effective at the start of 2022.

The rate for charitable organizations is set by statute and will remain unchanged at 14 cents per mile.

Background

The optional business standard mileage rate is used to compute the deductible costs of operating an automobile for business use, in lieu of tracking actual costs. It is based on the fixed and variable costs of operating an automobile, such as fuel, depreciation and insurance. The rate is also used as a benchmark by the federal government and businesses to reimburse their employees for mileage.

Taxpayers always have the option of calculating the actual costs of using their vehicle rather than using the standard mileage rates.