

## **2018 Standard Mileage Rates Announced for Business, Charitable, Medical and Moving Purposes**

The Internal Revenue Service recently issued the 2018 optional standard mileage rates to be used to calculate the deductible costs of operating an automobile for business, charitable, medical or moving purposes.

As of January 1, 2018, the standard mileage rates for the use of a car (also vans, pickups or panel trucks) are:

- 54.5 cents per mile for business miles driven, *up 1 cent from 2017*
- 18 cents per mile driven for medical or moving purposes, *up 1 cent from 2017*
- 14 cents per mile driven in service of charitable organizations; *the mileage rate for service to a charitable organization is not alterable by the IRS. Instead, it must be changed by statute passed by Congress.*

It is important to remember that a taxpayer may not use the business standard mileage rate for a vehicle after using any depreciation method under the Modified Accelerated Cost Recovery System (MACRS) or after claiming a Section 179 deduction for that vehicle.

Taxpayers always have the option of calculating the actual costs of using their vehicle, rather than using the standard mileage rates. For more information, please contact one of our professionals today.