



# 2021 Mileage Rates

Each year, the IRS sets the standard mileage rate, which is used to calculate the deductible costs of operating a vehicle for business, charitable, medical, or moving purposes. Here are the 2021 standard mileage rates:

- 56¢ per mile for business use – down from 57.5¢ in 2020.
- 16¢ per mile for medical or moving purposes – down from 17¢ from 2020.
- 14¢ per mile for charitable organizations – unchanged from 2020.

## Standard Mileage Rates

The standard mileage rates change for business-use and medical/moving every year. The business-use rate is based on an annual study of the fixed and variable costs of operating an automobile. The rate for medical and moving purposes is based on the variable costs.

Because of the changes in the tax law, there are two important restrictions to keep in mind with travel expenses for individuals.

1. No Miscellaneous Itemized Deductions. Employees are unable to deduct unreimbursed employee business expenses, such as business mileage, on their individual tax returns.
2. No moving expenses. Taxpayers cannot claim a deduction for moving expenses (there are exceptions to this rule for military moves).