



## 2023 Mileage Rate Increase

January 31, 2023

The IRS has released its regularly scheduled announcement for the annual increase in the standard mileage rate ([Notice 2023-03](#)). The 2023 standard mileage rate is now 65.5 cents per mile. The standard mileage rate is up three cents from the rare IRS announcement last summer to increase the rate mid-year. So, all these changes amount to a total increase of seven cents from the rate released last January. The 65.5 cent standard mileage rate is effective as of January 1, 2023.

Medical and qualified, active-duty military moving miles did not receive an increase from the mid-year 2022 increase. Therefore, the 2023 mileage rate is still 22 cents per mile driven for medical and military moving purposes. No increase was included for charitable contribution miles, as the rate remains at the statutory rate of 14 cents per mile unchanged from any point in 2022.

These rates apply to passenger vehicles of all different engine types including electric, hybrid electric, gasoline and diesel.

The standard mileage rates are usually set at the beginning of each year and are effective for the whole year. Before 2022, the last time the IRS made a special mid-year adjustment to the standard mileage rate was in 2011.

The standard mileage rate allows businesses to compute deductible costs of operating a vehicle rather than having to track actual costs per vehicle. The additional increase in the rate for 2023 should be welcome news to businesses and employees all too aware of the increasing effects of inflation.

Please reach out if you would like to discuss this increase in the standard mileage rate with any of our tax professionals.

### **Contact:**

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