

### **Mileage Rate Increases for the last 6 months of 2011**

The mileage rate for the first 6 months of 2011 has been 51 cents per mile. Generally the IRS will use one rate for the whole tax year, but in consideration of the gas prices hikes, the IRS has now decided that for the last 6 months of 2011 the mileage rate will increase to 55.5 cents per mile. This rate will be applied to any business miles that have been driven from July 1, 2011 until December 31, 2011. Given this change, you will need to track your miles for the two different periods.

The business mileage rate is not the only change that was made. The medical and moving expense miles will also increase by 4.5 cents per mile for the last 6 months of the year as well. This will now make these rates 23.5 cents per mile, instead of the 19 cents used in the first half of the year. One mileage rate that will remain the same is the charitable miles driven rate. This will remain at 14 cents per mile throughout the remainder of 2011.<sup>(1)</sup>

<sup>(1)</sup> IRS. Internal Revenue Service. 23 June 2011