

Part IV - Items of General Interest

OPTIONAL STANDARD MILEAGE RATES

Announcement 2008-63

This announcement informs taxpayers that the Internal Revenue Service is modifying Rev. Proc. 2007-70, 2007-50 I.R.B. 1162, by revising the optional standard mileage rates for computing the deductible costs of operating an automobile for business, medical, or moving expense purposes and for determining the reimbursed amount of these expenses that is deemed substantiated. This modification results from recent increases in the price of fuel.

The revised standard mileage rates are:

- | | |
|------------------------|---------------------|
| (1) Business | 58.5 cents per mile |
| (2) Medical and moving | 27 cents per mile |

The mileage rate that applies to the deduction for charitable contributions is fixed under § 170(i) of the Internal Revenue Code at 14 cents per mile.

The revised standard mileage rates set forth in this announcement apply to deductible transportation expenses paid or incurred for business, medical, or moving expense purposes on or after July 1, 2008, and to mileage allowances that are paid both (1) to an employee on or after July 1, 2008, and (2) with respect to transportation expenses paid or incurred by the employee on or after July 1, 2008.

The standard mileage rates set forth in Rev. Proc. 2007-70 continue to apply to deductible transportation expenses paid or incurred for business, medical, or moving expense purposes before July 1, 2008, and to mileage allowances paid (1) to an employee before July 1, 2008, or (2) with respect to transportation expenses paid or incurred by the employee before July 1, 2008. All other provisions of Rev. Proc. 2007-70 remain in effect.

EFFECT ON OTHER DOCUMENTS

Rev. Proc. 2007-70 is modified.

DRAFTING INFORMATION

The principal author of this announcement is Bernard P. Harvey of the Office of Associate Chief Counsel (Income Tax and Accounting). For further information regarding this announcement, contact Mr. Harvey at (202) 622-4930 (not a toll-free call).