

2010 Standard Mileage Rates Released

The IRS just released the 2010 mileage rates to be used by employees, self-employed individuals and other taxpayers to compute deductible costs of operating an automobile (including vans, pickups and panel trucks) for business, medical, moving and charitable purposes. These rates are established based on an annual study conducted by an independent contractor on behalf of the IRS, which analyzes fixed and variable costs of operating an automobile.

The 2010 rates for business purposes will be 50 cents per mile, a 5 cent per mile decrease from the 2009 rates. When the standard business mileage rate of 50 cents is used for automobiles owned by the taxpayer, depreciation will be considered to have been allowed at a rate of 23 cents per mile, 2 cents per mile more than in 2008 and 2009. Such depreciation reduces the taxpayer's basis in the automobile.

The standard mileage rate for medical and moving expenses will be 16.5 cents per mile. This represents a 7.5 cent per mile decrease from 2009. The standard mileage rate for charitable purposes will be 14 cents per mile, the same rate as in 2009. The charitable rate is determined under the Internal Revenue Code.