



# TAX ALERT

## IRS Increases Mileage Rates through Dec. 31, 2008

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The IRS has announced an increase in the optional standard mileage rates for the final six months of 2008. Taxpayers may use the optional standard rates to calculate the deductible costs of operating an automobile for business, charitable, medical or moving purposes. These rates are effective from July 1, 2008, through Dec. 31, 2008.

In recognition of recent gasoline price increases, the IRS made this special adjustment for the final months of 2008. The IRS normally updates the mileage rates once a year in the fall for the next calendar year.

### Business Mileage Rate

The standard mileage rate for business mileage will increase to 58.5 cents per mile, an increase of eight cents over the rate in effect for the first six months of 2008.

### Medical and Moving Mileage Rate

The standard mileage rate for medical and moving expenses has been increased from 19 cents per mile to 27 cents per mile for the second half of 2008.

### Charitable Mileage Rate

The standard mileage rate for charitable purposes remains at 14 cents.

Taxpayers should keep in mind that use of these mileage rates are optional. Taxpayers always have the ability to use the actual expenses of operating their vehicle

If you have any questions regarding the new mileage rates, please call your W&G advisor at 732-846-3000.

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