

# LEGAL UPDATE

## IRS Announces 2025 Standard Mileage Rates

On Dec. 19, 2024, the IRS [announced](#) the 2025 optional standard mileage rates, which are used to calculate the deductible costs of operating an automobile for business, charitable, medical or moving purposes.

The 2025 standard mileage rates for the use of a car, van, pickup or panel truck will be:

- 70 cents per mile driven for business use, up 3 cents from the rate for 2024;
- 21 cents per mile driven for medical purposes or for moving purposes for qualified active-duty members of the Armed Forces, the same as the rate for 2024; and
- 14 cents per mile driven in service of charitable organizations. The rate is set by statute and remains unchanged from 2024.

The rates apply to fully electric and hybrid automobiles, as well as gasoline and diesel-powered vehicles.

Under the Tax Cuts and Jobs Act, taxpayers **cannot** claim a miscellaneous itemized deduction for unreimbursed employee travel expenses, nor can they claim a deduction for moving expenses unless they are active duty Armed Forces members moving under orders to a permanent change of station.

Taxpayers always have the option of calculating the actual costs of using their vehicle rather than using the standard mileage rates. Taxpayers using the standard mileage rate for a vehicle they own must use the rate in the first year the automobile is available for business use. Then, in later years, they can choose either the standard mileage rate or actual expenses. For leased vehicles, the standard mileage rate method must be used for the entire lease period (including renewals) if the standard mileage rate is chosen.

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### Important Dates

#### **Dec. 19, 2024**

IRS announced the standard mileage rates for use in 2025.

#### **Jan. 1, 2025**

New standard mileage rates go into effect.

***Taxpayers may use the actual costs of operating their vehicle in calculating the deduction, instead of using the IRS standard rate.***