

## Patterson, Eden

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**From:** Patterson, Eden <epatterson@loraincsd.org>  
**Sent:** Monday, January 25, 2021 11:28 AM  
**To:** Admiral Ernest J King Elementary; Frank Jacinto; Garfield; Hawthorne; Helen Steiner Rice; Larkmoor; Palm; Stevan Dohanos; Toni Morrison; Washington; Longfellow; General Johnnie Wilson; Southview Middle School; Lorain High; SuccessAcademyAdmin; LCS Staff; LCS BoE  
**Subject:** RE: 2021 Mileage Rate - please read!!- update

### On behalf of the Treasurer's Office:

#### To All LCS Employees:

**Effective January 1, 2021 the new mileage rate from the IRS will go into effect. The new rate is 56 cents per mile. This is only for travels that occurred on and after January 1, 2021. When completing your second quarter mileage reimbursement form, you will still be using the old rate of 57.5 cents per mile.**

**Please feel free to contact the Treasurer's Office with any questions.**

## IRS issues standard mileage rates for 2021

WASHINGTON — The Internal Revenue Service today issued the 2021 optional standard mileage rates used to calculate the deductible costs of operating an automobile for business, charitable, medical or moving purposes. Beginning on Jan. 1, 2021, the standard mileage rates for the use of a car (also vans, pickups or panel trucks) will be:

- **56 cents per mile driven for business use, down 1.5 cents from the rate for 2020,**
- 16 cents per mile driven for medical or moving purposes for qualified active duty members of the Armed Forces, down 1 cent from the rate for 2020, and
- 14 cents per mile driven in service of charitable organizations, the rate is set by statute and remains unchanged from 2020.

The standard mileage rate for business use is based on an annual study of the fixed and variable costs of operating an automobile. The rate for medical and moving purposes is based on the variable costs.

It is important to note that under the [Tax Cuts and Jobs Act](#), taxpayers cannot claim a miscellaneous itemized deduction for unreimbursed employee travel expenses. Taxpayers also cannot claim a deduction for moving expenses, unless they are members of the Armed Forces on active duty moving under orders to a permanent change of station. For more details see [Moving Expenses for Members of the Armed Forces](#).

Taxpayers always have the option of calculating the [actual costs](#) of using their vehicle rather than using the standard mileage rates.

Taxpayers can use the standard mileage rate but must opt to use it in the first year the car is available for [business use](#).

Then, in later years, they can choose either the standard mileage rate or actual expenses. Leased vehicles must use the standard mileage rate method for the entire lease period (including renewals) if the standard mileage rate is chosen.

[Notice 2021-02](#) contains the optional 2021 standard mileage rates, as well as the maximum automobile cost used to calculate the allowance under a fixed and variable rate (FAVR) plan. In addition, the notice provides the maximum fair market value of employer-provided automobiles first made available to employees for personal use in calendar year 2021 for which employers may use the fleet-average valuation rule in or the vehicle cents-per-mile valuation rule.