



United States Department of the Interior

FISH AND WILDLIFE SERVICE

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Memorandum

To: Service Directorate

From: Assistant Director - Business Management and Operations

Subject: Reimbursement for Use of Privately-Owned Vehicles for Permanent Change of Station **(Effective January 1, 2009)**

The Internal Revenue Service (IRS) recently released the mileage rates for tax purposes, effective January 1, 2009. In accordance with the Federal Travel Regulation (FTR) and Departmental policy, the Service uses the IRS published rate for en route permanent change of station (PCS) POV mileage without regard to any additional guidance. Therefore, the PCS en route POV mileage rate within the continental U.S. (CONUS) will decrease from 27 cents to 24 cents, effective January 1, 2009.

On October 1, 2008, the Department established a separate PCS mileage rate for OCONUS (Outside the Continental United States). Specifically, the rate will be 150 percent of the IRS established moving rate for the Lower 48. Therefore, effective January 1, 2009, the PCS mileage rate for OCONUS will be 36 cents. The rate applies to those miles driven in Canada and Alaska. Odometer readings must be documented on the travel claim for OCONUS rates to apply. The employee will be taxed on any reimbursement greater than the IRS established rate.

Although we expect that the mileage rate for temporary duty (TDY) travel will also be reduced, any change will not be effective until GSA issues guidance.

If you need additional information, please contact George Keller, Chief, Division of Financial Management, at 703-358-2024





IRS Announces 2009 Standard Mileage Rates

IR-2008-131, Nov. 24, 2008

WASHINGTON — The Internal Revenue Service today issued the 2009 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, 2009, the standard mileage rates for the use of a car (also vans, pickups or panel trucks) will be:

- 55 cents per mile for business miles driven
- 24 cents per mile driven for medical or moving purposes
- 14 cents per mile driven in service of charitable organizations

The new rates for business, medical and moving purposes are slightly lower than rates for the second half of 2008 that were raised by a special adjustment mid-year in response to a spike in gasoline prices. The rate for charitable purposes is set by law and is unchanged from 2008.

The business mileage rate was 50.5 cents in the first half of 2008 and 58.5 cents in the second half. The medical and moving rate was 19 cents in the first half and 27 cents in the second half.

The mileage rates for 2009 reflect generally higher transportation costs compared to a year ago, but the rates also factor in the recent reversal of rising gasoline prices. While gasoline is a significant factor in the mileage rate, other fixed and variable costs, such as depreciation, enter the calculation.

The standard mileage rate for business 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 as determined by the same study. Independent contractor Runzheimer International conducted the study.

A taxpayer may not use the business standard mileage rate for a vehicle after using any depreciation method under the Modified Accelerated Cost Recovery System (MACRS) or after claiming a Section 179 deduction for that vehicle. In addition, the business standard mileage rate cannot be used for any vehicle used for hire or for more than four vehicles used simultaneously.

Taxpayers always have the option of calculating the actual costs of using their vehicle rather than using the standard mileage rates.

[Revenue Procedure 2008-72](#) contains additional information on these standard mileage rates.

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