



IRS Increases Mileage Rate to 62.5 Cents Per Mile for the Rest of 2022

Insights

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Responding to record-high gas prices, the IRS announced yesterday that, for **July through December of 2022**, the optional standard mileage rate for business travel will **increase from 58.5 cents to 62.5 cents** per mile.

The IRS usually updates the mileage rate late in the year for the following calendar year and mid-year updates are uncommon. However, in explaining its rare move, IRS Commissioner Chuck Rettig said:

The IRS is adjusting the standard mileage rates to better reflect the recent increase in fuel prices . . . We are aware a number of unusual factors have come into play involving fuel costs, and we are taking this special step to help taxpayers, businesses and others who use this rate.

Taxpayers may use the optional standard mileage rates to calculate the deductible costs of operating an automobile for business and certain other purposes. While not designed as a reimbursement tool, some employers opt to reimburse employees' use of their personal vehicles for business purposes using the optional standard mileage rate. If this is your company's practice, you should account for the rate increase to 62.5 cents per mile beginning July 1, 2022.

Conclusion

We will continue to monitor this area, so make sure you are subscribed to [Fisher Phillips' Insight System](#) to get the most up-to-date information. If you have any questions, you should contact your Fisher Phillips attorney, the author of this Insight, or any attorney in our [Wage and Hour Practice Group](#) for assistance.

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