



**St. Mary's County Public Schools
Department of Fiscal Services and
Human Resources**

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Ms. Tammy McCourt
Assistant Superintendent

To: Administrators and Supervisors

From: Robert Springer *RS*
Supervisor of Accounting

Via: Tammy S. McCourt *ysm*
Assistant Superintendent of Fiscal Services and Human Resources

Date: December 23, 2020

Re: Mileage Reimbursement

The mileage reimbursement for calendar year 2021 will be adjusted to **\$.56 per mile effective January 1, 2021**. This rate is based on the most current IRS standard mileage rate and is a decrease from \$.575 for the calendar year ending December 31, 2020.

All reimbursements are subject to appropriate policies and require supervisor approval as well as appropriate budgetary director approval. Travel reimbursement requests should be submitted timely with all documentation and receipts attached. Mileage forms can be found on the Fiscal Service's webpage at: <http://www.smcps.org/fs/forms/accounts-payable>

If you have any questions regarding Board approved mileage, please call me at x32185.

cc: Secretaries
Fiscal Services Dept.



IRS issues standard mileage rates for 2021

IR-2020-279, December 22, 2020

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 January 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](#) [PDF](#), 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.

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