MEMORANDUM

TO: Department Heads, Chief Financial Officers
   All State Departments, Institutions and Agencies

FROM: Charles Perusse

SUBJECT: Change in IRS Mileage Rates Effective January 1, 2022

Effective January 1, 2022, the Internal Revenue Service (IRS) has established new mileage rates based on an annual study of the fixed and variable costs of operating an automobile. The business standard rate for the use of a car (also vans, pickups or panel trucks) increased from 56 cents per mile to 58.5 cents per mile. Accordingly, and pursuant to G.S. 138-6(a)(1), the Office of State Budget and Management (OSBM) will adjust the maximum allowable rate of reimbursement for travel by officers and employees on official state business.

In future years, the Transportation by Personal Vehicle section (5.2.13) of the State Budget Manual will be updated to reflect the new IRS mileage effective January 1 of each calendar year. In accordance with an agency’s policies, a state employee shall be reimbursed at a rate that does not exceed the business standard mileage rate set forth by the IRS. Agencies are advised to visit the IRS website to confirm the annual mileage reimbursement rates on or before January 1 of each year. If you have any questions regarding these changes, please contact your OSBM Budget Execution Analyst.

Thank you.

cc: Casey Harris-Pratt, OSBM
    Budget Execution Analysts, OSBM