



Monterey County Office of Education

Dr. Nancy Kotowski
County Superintendent of Schools

Finance and Business Services

Bulletin No. 16-008

To: Leadership Team
From: Colleen Stanley, Executive Director
Finance and Business Services
Date: January 6, 2016
Re: **IRS Business Standard Mileage Rate decreased to 54¢ cents in 2016**

The Internal Revenue Service (IRS) has announced that the business standard mileage rate for transportation expenses paid or incurred beginning January 1, 2016, will be 54¢ cents per mile. The new rate for business miles is a 3.5¢ cents per mile decrease from the 2015 mileage rate of 57.5¢ cents per mile.

This is the rate at which employers can reimburse employees, tax free, for business use of their personal automobiles. If the employee is reimbursed at a higher rate than 54¢ cents per mile, only the excess should be noted as income on the employee's W-2. Mileage rates for each school district are set by their Board of Trustees. These rates can be more or less than the tax-free rate that the IRS has set.

For further information concerning the mileage rate, please contact me at (831) 755-0308.

cc: Garry P. Bousum, Associate Superintendent of Finance and Business Services
Karen Hennessy, Director, District Advisory Services
Suzette Burns, Administrator, Business Services
Dawn Tovey, Director of Internal Services/Special Education
Finance and Business Services