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IRS Mileage Rate Effective January 1, 2025

The standard IRS mileage rate for the business use of an employee's personal automobile has **increased** effective January 1, 2025, from **67 to 70 cents per mile**.

The state bargaining agreements and compensation plans base mileage reimbursement rates on the standard IRS mileage rate that's in place at the time of travel. As a reminder, two options are provided for determining the mileage reimbursement rate for any given trip:

- If the employee travels in their own vehicle because no state vehicle is available, the reimbursement rate is the current IRS rate (70 cents per mile for miles driven beginning January 1, 2025).
- If a state vehicle is offered but the employee declines and travels in their own vehicle, the reimbursement rate is 7 cents less than the current IRS rate (63 cents per mile for miles driven beginning January 1, 2025).

NOTE: "State vehicle" is defined as any vehicle owned or leased by the state or loaned to the state.

Please refer to the bargaining agreements and compensation plans regarding mileage reimbursement rates for the business use of an employee's specially equipped vehicle, motorcycle, or personal aircraft.