



TaxNewsFlash

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Notice 2021-02: Standard mileage rates for 2021

The IRS today issued an advance version of Notice 2021-02 providing the standard mileage rates for taxpayers to use in computing the deductible costs of operating an automobile for business, charitable, medical, or moving purposes in 2021.

Notice 2021-02 [PDF 80 KB] provides that beginning 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 for business miles driven (reduced from 57.5 cents per mile for 2020)
- 16 cents per mile driven for medical or moving purposes for qualified active duty members of the Armed Forces (reduced from 17 cents per mile for 2020) (the deduction for moving expenses has been suspended for taxpayers other than active-duty members of the U.S. Armed Forces)
- 14 cents per mile driven in service of charitable organizations (no change)

In addition to providing the standard mileage rates, Notice 2021-02 provides the amount taxpayers must use in calculating reductions to basis for depreciation taken under the business standard mileage rate, and the maximum standard automobile cost that may be used in computing the allowance under a fixed and variable rate (FAVR) plan.

For an automobile the taxpayer owns and uses for business purposes, 26 cents of the 56 cents per mile rate in 2021 is attributable to depreciation expense (down from 27 cents per mile for 2020).

Read related IRS release—[IR-2020-279](#)

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