


## EY Payroll NewsFlash Workforce Tax Services

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Vol.23, 065  
June 10, 2022

### IRS raises mileage rates effective July 1, 2022

Effective July 1, 2022, the business standard mileage rate for use of an automobile (including vans, pickup trucks and panel trucks) increases from \$0.585 to \$0.625, and the rate for medical and relocation mileage increases from \$0.180 to \$0.220. Mileage related to charity is set by law and remains at \$0.14 per mile. ([Notice 2022-03](#); [Announcement 2022-13](#).)

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 incurred after December 31, 2017, except members of the Armed Forces on active duty moving under orders to a permanent change of station.

#### Luxury vehicle limit for 2022 unchanged

The luxury vehicle limit announced for 2022 in [Notice 2022-03](#) remains unchanged. Pursuant to the vehicle valuation limit that applies to use of the optional fleet-average and vehicle cents-per-mile valuation methods, the maximum fair market value of the vehicle (including trucks and vans) first made available to employees in calendar year 2022 increased from \$51,100 to \$56,100.

#### Federal mileage rates January 1, 2022 and July 1, 2022

Type of mileage	Effective July 1, 2022	Effective January 1, 2022
Business standard	\$0.625	\$0.585
Charity	\$0.140	\$0.140
Relocation and medical	\$0.220	\$0.180

**Contact us for more information**

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