

# Standard Mileage Rates Increase in July

## Fringe Benefits

by [Infinisource](#)

On June 22, 2011, the IRS announced an increase to the standard mileage rates for business, medical and moving expenses by \$.045 per mile, effective Friday, July 1, 2011.

Details are in [Announcement 2011-40](#), which amends the standard mileage rates previously announced in [Notice 2010-88](#). This change was made “... *to better reflect the recent increase in gas prices*,” said IRS Commissioner Doug Shulman. The revised rates are as follows:

Type of Expense	January 1 – June 30, 2011	July 1 – December 31, 2011
Business	\$.51 per mile	\$.555 per mile
Medical (e.g., FSA, HRA and HSA)	\$.19 per mile	\$.235 per mile
Moving	\$.19 per mile	\$.235 per mile
Charitable*	\$.14 per mile	\$.14 per mile

\*Fixed by law and cannot be changed by the IRS.

Medical expenses **incurred on or after** July 1, 2011, are subject to the higher rate. Expenses **incurred before** July 1, 2011, are reimbursable at the \$.19 per mile rate. This change in the mileage rate does **not** allow a participant to change their FSA election.

This change is not unprecedented. The IRS issued a midyear increase in 2008 of \$.08 per mile based on high gas prices. Other midyear changes occurred in 1999 and 2005.

Infinisource’s [fringe benefits team](#) is ready to reimburse expenses at the higher rate.