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# COUNTY DEPARTMENT AGENDA REQUEST

Department/Division: Finance

Department Head: Mary S. Holland

Presenter, if needed: Mary S. Holland

Preferred Meeting Date: Wednesday, January 7, 2009

Wording for the Agenda:

Approval of staff's recommendation that the travel reimbursement rate for 2009 be reduced from $0.4794 to $0.4510 per mile when privately-owned vehicles are used in lieu of county-owned vehicles for official county business.

Background/History/Details:

The County's travel, transportation, and allowances policy updated March 7, 2007 provides for mileage reimbursement when a privately owned automobile a vehicle is used in lieu of a county-owned vehicle for official county business. The reimbursement rate is based on 82% of the established IRS standard business mileage rate. The IRS has announced the 2009 rate at 55 cents per mile, down from 58.5 cents for the second half of 2008. 82% of 55 cents equates to 45.10 cents per mile.

What action are you seeking from the Board of Commissioners?

Approval to decrease the current County's mileage reimbursement rate from 47.97 cents per mile to 45.10 cents per mile. This change would be effective January 1, 2009. NOTE: Reimbursement for mileage will only be paid once the travel freeze is lifted.

If this item requires funding, please describe:

Has this issue come before the Commissioners in the past? No

If so, when?

Do you need audio-visual for the presentation? No

Back-up Material Submitted? Yes

## STAFF USE ONLY

Approved by Finance? Yes

Reviewed by Legal? Yes

Approved by Purchasing? Yes

Approved by Administrative Staff? Yes

Staff Notes

Administrator's Approval Yes

Confirmed Meeting Date Wednesday, January 7, 2009

- ○ Recognition/ Presentation
- ○ Public Hearing
- ○ Old Business
- ○ New Business
- ◉ Consent
- ○ Report
- ○ Other

Internal Revenue Service
United States Department of the Treasury

## IRS Announces 2009 Standard Mileage Rates

IR-2008-131, Nov. 24, 2008

WASHINGTON — The Internal Revenue Service today issued the 2009 optional standard mileage rates used to calculate the deductible costs of operating an automobile for business, charitable, medical or moving purposes.

Beginning on Jan. 1, 2009, the standard mileage rates for the use of a car (also vans, pickups, or panel trucks) will be:

- 55 cents per mile for business miles driven
- 24 cents per mile driven for medical or moving purposes
- 14 cents per mile driven in service of charitable organizations

The new rates for business, medical and moving purposes are slightly lower than rates for the second half of 2008 that were raised by a special adjustment mid-year in response to a spike in gasoline prices. The rate for charitable purposes is set by law and is unchanged from 2008.

The business mileage rate was 50.5 cents in the first half of 2008 and 58.5 cents in the second half. The medical and moving rate was 19 cents in the first half and 27 cents in the second half.

The mileage rates for 2009 reflect generally higher transportation costs compared to a year ago, but the rates also factor in the recent reversal of rising gasoline prices. While gasoline is a significant factor in the mileage rate, other fixed and variable costs, such as depreciation, enter the calculation.

The standard mileage rate for business is based on an annual study of the fixed and variable costs of operating an automobile. The rate for medical and moving purposes is based on the variable costs as determined by the same study. Independent contractor Runzheimer International conducted the study.

A taxpayer may not use the business standard mileage rate for a vehicle after using any depreciation method under the Modified Accelerated Cost Recovery System (MACRS) or after claiming a Section 179 deduction for that vehicle. In addition, the business standard mileage rate cannot be used for any vehicle used for hire or for more than four vehicles used simultaneously.

Taxpayers always have the option of calculating the actual costs of using their vehicle rather than using the standard mileage rates.

Revenue Procedure 2008-72 contains additional information on these standard mileage rates.

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