

December 29, 2015

TO: School District Administrators  
FROM: Division of Administration, Finance and Accountability  
SUBJECT: Mileage Rate for January – December 2016

The Internal Revenue Service has announced that the standard mileage rate will DECREASE from 57.5 cents to 54.0 cents effective **January 1, 2016**. This is the rate at which employers reimburse employees, tax free, for business use of their personal automobiles.

However, if the employee is reimbursed at a higher rate than 54.0 cents per mile, ONLY the excess should be included as income on the employee's Form W-2.

Mileage rates for each school district are set by their Board of Trustees. These rates can be more or less than the tax-free rate that the IRS has set.

**For further information concerning the mileage rate, please contact Priscilla Quinn, Financial Operations Officer, (661) 636-4732.**

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