

January 5, 2021

TO: School District Administrators  
FROM: Division of Administration, Finance and Accountability  
SUBJECT: Mileage Rate for January – December 2021

The Internal Revenue Service has announced that the standard mileage rate DECREASED from 57.5 cents to 56 cents effective, **January 1, 2021**. 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 56 cents per mile, **ONLY** the excess should be included as income on the employee's W-2 Form.

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, the IRS has set.

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

PQ:jph