

January 25, 2023

TO: School District Administrators
FROM: Division of Administration, Finance and Accountability
SUBJECT: Mileage Rate Beginning January 1, 2023

The Internal Revenue Service has announced that the standard mileage rate INCREASED from 62.5 cents to 65.5 cents effective **January 1, 2023**. 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 65.5 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 Jeff Payne, Financial Operations Officer, (661) 636-4732.

JP:mwh