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December 30, 2025

TO: School District Administrators

FROM: Division of Fiscal Support

SUBJECT: Mileage Rate Beginning January 1, 2026

The Internal Revenue Service has announced that the standard mileage rate INCREASED from 70 cents to 72.5 cents effective **January 1, 2026**. 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 72.5 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 Maxx Garris, Chief Financial Operations Officer, (661) 636-4732.**

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