



Memo

To: Board of Examiners

From: State Controller's Office

Date: January 3, 2023

Subject: Request for Update of the State of Idaho Mileage Rate

Update to the Federal Mileage rate

On December 30, 2022 the Internal Revenue Service (IRS) announced an increase to the federal mileage rate. The federal rate for business use has increased by 3 cents. The federal rate for business use has been at 62.5 cents since July 1, 2022, and now is 65.5 cents (effective January 1, 2023). The current rate for the State of Idaho is 62.5 cents.

The State Controller recommends the State of Idaho Travel Policy be amended to change the rate for the State of Idaho to 65.5 cents (effective January 17, 2023) to match the current Federal rate.

If you have any questions regarding this information please contact, the Secretary of the Board of Examiners Subcommittee, Brian Benjamin at (208) 332-8835



IRS issues standard mileage rates for 2023; business use increases 3 cents per mile

IR-2022-234, December 29, 2022

WASHINGTON — The Internal Revenue Service today issued the 2023 optional standard mileage rates used to calculate the deductible costs of operating an automobile for business, charitable, medical or moving purposes.

Beginning on January 1, 2023, the standard mileage rates for the use of a car (also vans, pickups or panel trucks) will be:

- 65.5 cents per mile driven for business use, up 3 cents from the midyear increase setting the rate for the second half of 2022.
- 22 cents per mile driven for medical or moving purposes for qualified active-duty members of the Armed Forces, consistent with the increased midyear rate set for the second half of 2022.
- 14 cents per mile driven in service of charitable organizations; the rate is set by statute and remains unchanged from 2022.

These rates apply to electric and hybrid-electric automobiles, as well as gasoline and diesel-powered vehicles.

The standard mileage rate for business use 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.

It is important to note that under the Tax Cuts and Jobs Act, taxpayers cannot claim a miscellaneous itemized deduction for unreimbursed employee travel expenses. Taxpayers also cannot claim a deduction for moving expenses, unless they are members of the Armed Forces on active duty moving under orders to a permanent change of station. For more details see [Moving Expenses for Members of the Armed Forces](#).

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

Taxpayers can use the standard mileage rate but generally must opt to use it in the first year the car is available for business use. Then, in later years, they can choose either the standard mileage rate or actual expenses. Leased vehicles must use the standard mileage rate method for the entire lease period (including renewals) if the standard mileage rate is chosen.

[Notice 2023-03](#) [PDF](#) contains the optional 2023 standard mileage rates, as well as the maximum automobile cost used to calculate the allowance under a fixed and variable rate (FAVR) plan. In addition, the notice provides the maximum fair market value of employer-provided automobiles first made available to employees for personal

use in calendar year 2023 for which employers may use the fleet-average valuation rule in or the vehicle cents-per-mile valuation rule.

Page Last Reviewed or Updated: 29-Dec-2022

(3) For a period where employees are to be absent from their post on official business for less than twenty-four (24) hours the board's regulations shall provide for partial days' subsistencerates.

F: Rates of Allowance Foreign Travel

The board of examiners shall determine reasonable rates of allowance for per diem subsistence for officers, agents and employees of the state who are absent from their post of duty on official business in a foreign country. In determining such rates of allowance, the limitations of section 67-2008, Idaho Code, shall not apply. The board shall determine rates of allowance which are reasonable based upon factors such as the prevailing cost of executing such travel, generally prevailing economic conditions, and the rates of allowance made applicable to similar travel by the federal government and private employers within the state.

Appendix A: History of Rate Changes

History of Rate Changes:			
<u>Effective Date</u>	<u>Private Vehicle</u>	<u>MEALS In-State</u>	<u>MEALS Out-State</u>
7-1-74	15 cents car		
7-1-75		\$10.00	\$14.00
7-1-78	15 cents car 17 cents air	\$12.00	\$15.00
7-1-79			\$17.00
8-15-79	17 cents car		
5-1-80	18 cents car	\$15.00	\$20.00
7-1-84	22 cents car		
1-1-85	20.5 cents car		
12-13-88	22 cents pvt vehicle/aircraft		
7-1-90	26 cents car	\$20.00	\$30.00
7-1-96	31 cents pvt vehicle/aircraft	\$20.00	\$30.00
2-13-00	32.5 cents pvt vehicle/aircraft	\$20.00	\$30.00
1-2-01	34.5 cents pvt vehicle/aircraft	\$20.00	\$30.00
7-1-01	34.5 cents pvt vehicle/aircraft	\$30.00	\$30.00 or Federal Rate
1-1-02	36.5 cents pvt vehicle/aircraft	\$30.00	\$30.00 or Federal Rate
1-1-03	36.0 cents pvt vehicle/aircraft	\$30.00	\$30.00 or Federal Rate
1-1-04	37.5 cents private vehicle/aircraft	\$30.00	\$31.00 or Federal Rate
4-12-05	40.5 cents private vehicle/aircraft	\$30.00	\$31.00 or Federal Rate
9-1-05	48.5 cents private vehicle/aircraft	\$30.00	\$31.00 or Federal Rate
1-1-06	44.5 cents private vehicle/aircraft	\$30.00	\$39.00 or Federal Rate

1-1-07	48.5 cents private vehicle/aircraft	\$30.00	\$39.00 or Federal Rate
1-1-08	50.5 cents private vehicle/aircraft	\$30.00	\$39.00 or Federal Rate
7-1-08	58.5 cents private vehicle/aircraft	\$30.00	\$39.00 or Federal Rate
1-1-09	45.5 cents private vehicle/aircraft	\$30.00	\$39.00 or Federal Rate
10-1-09 (Approved on 12-15-09)	45.5 cents private vehicle/aircraft	\$30.00	\$46.00 or Federal Rate
7-1-12	55.5 cents private vehicle/aircraft	\$30.00	\$46.00 or Federal Rate
10-1-15	55.5 cents private vehicle/aircraft	\$45.00	\$51.00 or Federal Rate
1-1-16	54 cents private vehicle/aircraft	\$45.00	\$51.00 or Federal Rate
1-1-17	53.5 cents private vehicle/aircraft	\$45.00	\$51.00 or Federal Rate
10-1-18	53.5 cents private vehicle/aircraft	\$45.00	\$55.00 or Federal Rate
2-19-19	58 cents private vehicle/aircraft	\$49.00	\$55.00 or Federal Rate
1-1-20	57.5 cents private vehicle/aircraft	\$49.00	\$55.00 of Federal Rate
1-1-21	56 cents private vehicle/aircraft	\$49.00	\$55.00 of Federal Rate
1-1-22	56 cents private vehicle/aircraft	\$55.00	\$59.00 of Federal Rate
1-18-22	58.5 cents private vehicle/aircraft	\$55.00	\$59.00 of Federal Rate
7-19-22	62.5 cents private vehicle/aircraft	\$55.00	\$59.00 of Federal Rate

Change to Mileage Rate

- If the Federal Mileage rate is set below the current State of Idaho mileage rate, then the State of Idaho mileage rate will automatically decrease to match the Federal rate.
- If the Federal Mileage rate is set above the current State of Idaho mileage rate, then the Board of Examiners will review the change at their next meeting to see whether a change is merited.
- If the State of Idaho updates the State mileage rate, the Secretary to the Board of Examiners will send notification to all agencies.

Appendix B: Examples

Maximum Per Diem Allowance

Daily Per Diem Allowance (see definition of “per diem” in Section 11)

(a) In State \$55.00 day

(b) Out-of-State Per Diem Allowance \$59.00 per day is the base, but would allow the higher federal rate

Partial Day Per Diem Allowance

Where employees are to be absent from their primary official station on official business for less than twenty four (24) hours, partial day per diem allowance is equal to a maximum of twenty-five percent (25%) of the total per diem allowance for breakfast, thirty-five percent (35%) for the total per diem allowance for lunch, and fifty-five percent (55%) of the total per diem allowance for dinner.

Partial Day Per Diem Allowance		
	In-State	Out-of-State
Breakfast - 25%	\$13.75	\$14.75 or 25% of Federal Rate
Lunch - 35%	\$19.25	\$20.65 or 35% of Federal Rate
Dinner - 55%	\$30.25	\$32.45 or 55% of Federal Rate