

## **What is the Mileage Reimbursement Rate for Businesses for 2012?**

By Daniel Schwartz on January 18th, 2012



I'm often asked what some of my most popular posts are on the blog. Surprisingly, one topic that always seems to generate interest is the mileage reimbursement rate. I'm not quite sure why.

In any event, the new rate became effective January 1, 2012. Remember, this is the optional standard mileage rates. These rates are typically used by businesses to help calculate mileage expenses for employees.

It was last adjusted in mid-2011 and the 2012 rate is unchanged from that. Beginning on Jan. 1, 2012, the standard mileage rates for the use of a car (also vans, pickups or panel trucks) will be 55.5 cents per mile for business miles driven.

This rate can be particularly important in states like California. California Labor Code section 2802(a) states that an employer must indemnify its employees for expenses they incur in performing their job duties. While this won't include commuting miles, it likely covers employees for mileage driven for business purposes in personal vehicles.

As a reminder, companies with personnel policies about their mileage reimbursement should consider updating their policies immediately to reflect this change. In the future, employers can draft a policy that states that their standard mileage rate will be consistent with the IRS's rate without reference to a particular number.

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