RIVERSIDE COUNTY
OFFICE OF EDUCATION
KENNETH M. YOUNG
Riverside County Superintendent of Schools

3939 Thirteenth Street
P.O. Box 868
Riverside, California
92502-0868
(951) 826-6530

47-110 Calhoun Street
Indio, California
92201-4779
(760) 863-3000

24980 Las Brisas Road
Murrieta, California
92562-4008
(951) 600-5680

Riverside County Board of Education

Gerald P. Colapinto

Lynne D. Craig

Bruce N. Dennis

Jay N. Hoffman, Ed.D.

Susan J. Rainey, Ed.D.

Elizabeth R. Toledo

Ralph R. Villani, Ed.D.

DATE: January 16, 2014

TO: Chief Business Officials
Accounting Managers
K-12 School Districts and Community Colleges

FROM: Nancy Sheets, Director NS
District Fiscal Services
Division of Administration and Business Services
(951) 826-6442 / FAX [951] 826-4457

SUBJECT: 2014 IRS Standard Mileage Rate

The Internal Revenue Service (IRS) has announced that the standard mileage rate will be 56 cents per mile for 2014. Information on the approved per diem rates is available on the U.S. General Services Administration website at: http://www.gsa.gov/perdiem.

The IRS issues regulations relative to the tax implications for reimbursements of employee business expenses. The regulations define reimbursements of employee business expenses under an accountable plan or a non-accountable plan. How expenses are reimbursed under an accountable or non-accountable plan determines if the reimbursements are taxable, and subject to payment of social security, Medicare, and federal unemployment tax.

To be an accountable plan, employers must require an employee to meet all three of the following rules:

1. The employee expenses must be for a business purpose.
2. The employee must adequately account to the employer for these expenses within a reasonable period of time.
3. The employee must return any excess reimbursement within a reasonable time.

Amounts paid under an accountable plan must be either the actual expense incurred, supported by a receipt, or within the IRS rates. When using the approved rates, employees must substantiate the time, place, and business purpose of the travel expense. Amounts paid under an accountable plan are not taxable if adequate accounting is made and any excess is returned within a reasonable amount of time.

A non-accountable plan of reimbursement is one that does not meet the three rules previously indicated. Amounts paid to an employee under a non-accountable plan are considered to be wages by the IRS. These amounts are taxable and reported as taxable income on the employee's W-2. **These amounts are also subject to payment of social security, medicare, and federal unemployment tax. If your district reimburses any employees under a non-accountable plan, please contact me at (951) 826-6442, or Carolyn Nielsen at (951) 826-6538.**

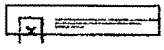
Should you have any questions, please feel free to contact me.

NS:tm
L:\Accounting\2014 IRS Mileage Rate.doc

Attachment

Lisa Coleman

From: IRS Newswire <irs@service.govdelivery.com>
Sent: Friday, December 06, 2013 11:20 AM
To: Lisa Coleman
Subject: IR-2013-95: 2014 Standard Mileage Rates for Business, Medical and Moving Announced



News Essentials

What's Hot

News Releases

IRS - The Basics

IRS Guidance

Media Contacts

Facts & Figures

Problem Alerts

Around The Nation

e-News Subscriptions

The Newsroom Topics

Tax Tips 2012

Radio PSAs

Fact Sheets

Armed Forces

Disaster Relief

Scams / Consumer Alerts

Tax Shelters

Issue Number: IR-2013-95

Inside This Issue

2014 Standard Mileage Rates for Business, Medical and Moving Announced

WASHINGTON — The Internal Revenue Service today issued the 2014 optional standard mileage rates used to calculate the deductible costs of operating an automobile for business, charitable, medical or moving purposes.

Beginning on Jan. 1, 2014, the standard mileage rates for the use of a car (also vans, pickups or panel trucks) will be:

- 56 cents per mile for business miles driven
- 23.5 cents per mile driven for medical or moving purposes
- 14 cents per mile driven in service of charitable organizations

The business, medical, and moving expense rates decrease one-half cent from the 2013 rates. The charitable rate is based on statute.

The standard mileage rate for business 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.

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

A taxpayer may not use the business standard mileage rate for a vehicle after using any depreciation method under the Modified Accelerated Cost Recovery System (MACRS) or after claiming a

IRS Resources

Compliance & Enforcement

Contact My Local Office

Filing Options

Forms & Pubs

Frequently Asked Questions

News

Taxpayer Advocate

Where to File

Section 179 deduction for that vehicle. In addition, the business standard mileage rate cannot be used for more than four vehicles used simultaneously.

These and other requirements for a taxpayer to use a standard mileage rate to calculate the amount of a deductible business, moving, medical, or charitable expense are in Rev. Proc. 2010-51. Notice 2013-80 contains the standard mileage rates, the amount a taxpayer must use in calculating reductions to basis for depreciation taken under the business standard mileage rate, and the maximum standard automobile cost that a taxpayer may use in computing the allowance under a fixed and variable rate plan.

Back to Top

Thank you for subscribing to the IRS Newswire, an IRS e-mail service.

If you know someone who might want to subscribe to this mailing list, please forward this message to them so they can subscribe.

This message was distributed automatically from the mailing list IRS Newswire. **Please Do Not Reply To This Message.**

Update your subscriptions, modify your password or email address, or stop subscriptions at any time on your Subscriber Preferences Page. You will need to use your email address to log in. If you have questions or problems with the subscription service, please contact subscriberhelp.govdelivery.com.

This service is provided to you at no charge by the Internal Revenue Service (IRS).

This email was sent to lcoleman@rcoe.us by: Internal Revenue Service (IRS) · Internal Revenue Service · 1111 Constitution Ave. N.W. · Washington DC 20535

Part III - Administrative, Procedural, and Miscellaneous

2014 Standard Mileage Rates

Notice 2013-80

SECTION 1. PURPOSE

This notice provides the optional 2014 standard mileage rates for taxpayers to use in computing the deductible costs of operating an automobile for business, charitable, medical, or moving expense purposes. This notice also provides the amount taxpayers must use in calculating reductions to basis for depreciation taken under the business standard mileage rate, and the maximum standard automobile cost that may be used in computing the allowance under a fixed and variable rate (FAVR) plan.

SECTION 2. BACKGROUND

Rev. Proc. 2010-51, 2010-51 I.R.B. 883, provides rules for computing the deductible costs of operating an automobile for business, charitable, medical, or moving expense purposes, and for substantiating, under § 274(d) of the Internal Revenue Code and § 1.274-5 of the Income Tax Regulations, the amount of ordinary and necessary business expenses of local transportation or travel away from home. Taxpayers using the standard mileage rates must comply with Rev. Proc. 2010-51. However, a taxpayer is not required to use the substantiation methods described in Rev. Proc. 2010-51, but

instead may substantiate using actual allowable expense amounts if the taxpayer maintains adequate records or other sufficient evidence.

An independent contractor conducts an annual study for the Internal Revenue Service of the fixed and variable costs of operating an automobile to determine the standard mileage rates for business, medical, and moving use reflected in this notice. The standard mileage rate for charitable use is set by § 170(i).

SECTION 2. STANDARD MILEAGE RATES

The standard mileage rate for transportation or travel expenses is 56 cents per mile for all miles of business use (business standard mileage rate). See section 4 of Rev. Proc. 2010-51.

The standard mileage rate is 14 cents per mile for use of an automobile in rendering gratuitous services to a charitable organization under § 170. See section 5 of Rev. Proc. 2010-51.

The standard mileage rate is 23.5 cents per mile for use of an automobile (1) for medical care described in § 213, or (2) as part of a move for which the expenses are deductible under § 217. See section 5 of Rev. Proc. 2010-51.

SECTION 3. BASIS REDUCTION AMOUNT

For automobiles a taxpayer uses for business purposes, the portion of the business standard mileage rate treated as depreciation is 23 cents per mile for 2010, 22 cents per mile for 2011, 23 cents per mile for 2012, 23 cents per mile for 2013, and 22 cents per mile for 2014. See section 4.04 of Rev. Proc. 2010-51.

SECTION 4. MAXIMUM STANDARD AUTOMOBILE COST

For purposes of computing the allowance under a FAVR plan, the standard automobile cost may not exceed $28,200 for automobiles (excluding trucks and vans) or $30,400 for trucks and vans. See section 6.02(6) of Rev. Proc. 2010-51.

SECTION 5. EFFECTIVE DATE

This notice is effective for (1) deductible transportation expenses paid or incurred on or after January 1, 2014, and (2) mileage allowances or reimbursements paid to an employee or to a charitable volunteer (a) on or after January 1, 2014, and (b) for transportation expenses the employee or charitable volunteer pays or incurs on or after January 1, 2014.

SECTION 6. EFFECT ON OTHER DOCUMENTS

Notice 2012-72 is superseded.

DRAFTING INFORMATION

The principal author of this notice is Bernard P. Harvey of the Office of Associate Chief Counsel (Income Tax and Accounting). For further information on this notice contact Bernard P. Harvey on (202) 622-4930 (not a toll-free call).