

2010 vs. 2009 Standard Mileage Rate Tax Deduction Breakdown and Rules

Here are the 2010 standard mileage rates used to calculate the tax deductible costs of operating an automobile for business, charitable, medical or moving purposes. The new rates for business, medical and moving purposes are slightly lower than last year's, which reflect generally lower transportation costs compared to a year ago. Also, don't forget that, a taxpayer is not allowed to deduct any portion of the cost of operating an automobile attributable to personal use.

Beginning on Jan. 1, 2010, the standard mileage rates for the use of a car (also vans, pickups or panel [trucks](#)) will be:

- 50 cents per mile for business miles driven (*vs. 55 cents in 2009*)
- 16.5 cents per mile driven for medical or moving purposes (*vs. 24 cents per driven mile in 2009*)
- 14 cents per mile driven in service of charitable organizations (*the same as 2009*)

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 as determined by the same study.

A taxpayer may deduct the ordinary and necessary expenses the taxpayer pays or incurs during the taxable year in carrying on any [trade](#) or business.. A self-employed individual may deduct the cost of operating an automobile to the extent that it is used in a trade or business. 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 or after claiming a Section 179 deduction for that vehicle. In addition, the business standard mileage rate cannot be used for any vehicle used for hire or for more than four vehicles used simultaneously.

Taxpayers always have the option of calculating the actual costs of using their vehicle rather than using the standard mileage rates. IRS Procedure [2009-54](#), contains additional details regarding the standard mileage rates.