



To: State Board of Examiners

From: State Controller's Office

Date: January 13, 2026

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

Update to the Federal Mileage rate

On December 29, 2025, the Internal Revenue Service (IRS) announced an increase to the federal mileage rate. The federal mileage rate for business use has increased from 70.0 cents per mile to now 72.5 cents per mile effective January 1, 2026. The current State of Idaho mileage rate is 70.0 cents.

The State Controller recommends the State of Idaho Travel Policy be amended to change the rate for the State of Idaho to 72.5 cents (effective February 1, 2026) to match the current Federal rate. This change would be effective for travel on or after February 1, 2026.

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

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UPDATED: IR-2025-128: IRS sets 2026 business standard mileage rate at 72.5 cents per mile, up 2.5 cents

Internal Revenue Service (IRS) sent this bulletin at 12/29/2025 03:44 PM EST

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IRS Newswire December 29, 2025	
News Essentials What's Hot News Releases IRS - The Basics IRS Guidance Media Contacts Facts & Figures Around The Nation e-News Subscriptions	Issue Number: IR-2025-128 Inside This Issue UPDATED IRS sets 2026 business standard mileage rate at 72.5 cents per mile, up 2.5 cents IR-2025-128, Dec. 29, 2025 WASHINGTON — The Internal Revenue Service today announced that the optional standard mileage rate for business use of automobiles will increase by 2.5 cents in 2026, while the mileage rate for vehicles used for medical purposes will decrease by half a cent, reflecting updated cost data and annual inflation adjustments. Optional standard mileage rates are used to calculate the deductible costs of operating vehicles for business, charitable, and medical purposes. Additionally, the optional standard mileage rate may be used to calculate the deductible costs of operating vehicles for moving purposes for certain active-duty members of the Armed Forces, and now, under the One, Big, Beautiful Bill, certain members of the intelligence community. Beginning Jan. 1, 2026, the standard mileage rates for the use of a car, van, pickup or panel truck will be: <ul style="list-style-type: none">• 72.5 cents per mile driven for business use, up 2.5 cents from 2025.• 20.5 cents per mile driven for medical purposes, down a half cent from 2025.• 20.5 cents per mile driven for moving purposes for certain active-duty members of the Armed Forces (and now certain members of the intelligence community), reduced by a half cent from last year.• 14 cents per mile driven in service of charitable organizations, equal to the rate in 2025. The rates apply to fully-electric and hybrid automobiles, as well as gasoline and diesel-powered vehicles. While the mileage rate for charitable use is set by statute, the 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, meanwhile, is based on only the variable costs from the annual study. Under the law, taxpayers cannot claim a miscellaneous itemized deduction for unreimbursed employee travel expenses, except for certain educator expenses. However, deductions for expenses that are deductible in determining adjusted gross income remain allowable, such as for certain members of a reserve component of the Armed Forces, certain state and local government officials, certain performing artists, and eligible educators. Alternatively, eligible educators may claim an itemized deduction for certain unreimbursed employee travel expenses. In addition, only taxpayers who are members of the military on active duty or certain members of the intelligence community may claim a deduction for moving expenses incurred while relocating under orders to a permanent change of station. Use of the standard mileage rates is optional. Taxpayers may instead choose to calculate the actual costs of using their vehicle.
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Taxpayers using the standard mileage rate for a vehicle they own and use for business must choose to use the rate in the first year the automobile is available for business use. Then, in later years, they can choose to use the standard mileage rate or actual expenses.

For a leased vehicle, taxpayers using the standard mileage rate must employ that method for the entire lease period, including renewals.

[Notice-2026-10](#) contains the optional 2026 standard mileage rates, as well as the maximum automobile cost used to calculate mileage reimbursement allowances under a fixed-and variable rate plan. The notice also provides the maximum fair market value of employer-provided automobiles first made available to employees for personal use in 2026 for which employers may calculate mileage allowances using a cents-per-mile valuation rule or the fleet-average-valuation rule.

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