2026 Standard Mileage Rates

Notice 2026-10

SECTION 1. PURPOSE

This notice provides the optional 2026 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. Additionally, this notice provides the maximum fair market value (FMV) of employer-provided automobiles first made available to employees for personal use in calendar year 2026 for which employers may use the fleet-average valuation rule in § 1.61-21(d)(5)(v) or the vehicle cents-per-mile valuation rule in § 1.61-21(e).[1]

SECTION 2. BACKGROUND

Rev. Proc. 2019-46, 2019-49 I.R.B. 1301, 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) and § 1.274-5, the amount of

[1] Unless otherwise specified, all "section" or "§" references are to sections of the Internal Revenue Code or the Income Tax Regulations (26 CFR part 1).

ordinary and necessary business expenses of local transportation or travel away from home. Taxpayers using the standard mileage rates must comply with Rev. Proc. 2019-46, except to the extent the law has been specifically changed by Public Law 119-21, 139 Stat. 72 (July 4, 2025), commonly known as the One, Big, Beautiful Bill Act (OBBBA). However, a taxpayer is not required to use the substantiation methods described in Rev. Proc. 2019-46, 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).

Longstanding regulations under § 61 provide special valuation rules for employer-provided automobiles. The amount that must be included in the employee's income and wages for the personal use of an employer-provided automobile generally is determined by reference to the automobile's FMV. If an employer chooses to use a special valuation rule, the special value is treated as the FMV of the benefit for income tax and employment tax purposes. Section 1.61-21(b)(4). Two such special valuation rules, the fleet-average valuation rule and the vehicle cents-per-mile valuation rule, are set forth in § 1.61-21(d)(5)(v) and § 1.61-21(e), respectively. These two special valuation rules are subject to limitations, including that they may be used only in connection with automobiles having values that do not exceed a maximum amount set forth in the regulations.

SECTION 3. STANDARD MILEAGE RATES

The standard mileage rate for transportation or travel expenses for 2026 is 72.5 cents per mile for all miles of business use (business standard mileage rate). See section 4 of Rev. Proc. 2019-46. However, § 70110 of the OBBBA made permanent the disallowance for all miscellaneous itemized deductions that are subject to the two-percent of adjusted gross income floor under § 67, including unreimbursed employee travel expenses. Thus, the business standard mileage rate provided in this notice cannot be used to claim an itemized deduction for unreimbursed employee travel expenses, except for certain educator expenses as described later. However, deductions for expenses that are deductible in determining adjusted gross income remain allowable. For example, members of a reserve component of the Armed Forces of the United States (Armed Forces), state or local government officials paid in whole or in part on a fee basis, and certain performing artists are entitled to deduct unreimbursed employee travel expenses as an adjustment to total income on line 12 of Schedule 1 of Form 1040 (2025), *U.S. Individual Income Tax Return*, not as an itemized deduction on Schedule A of Form 1040 (2025), and therefore may continue to use the business standard mileage rate. See § 62(a)(2). Similarly, eligible educators are also entitled to deduct certain unreimbursed employee travel expenses as an adjustment to total income on line 11 of Schedule 1 of Form 1040 (2025) up to the dollar limit, but alternatively they may be entitled to an itemized deduction on Schedule A of Form 1040 for 2026. See §§ 62(a)(2)(D) and 67(b)(13).

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 § 170(i); see also section 5 of Rev. Proc. 2019-46.

The standard mileage rate for 2026 is 20.5 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(g), as supplemented by § 217(k)(2). See also section 5 of Rev. Proc. 2019-46. Section 70113(a) of the OBBBA made permanent the disallowance for the deduction for moving expenses, except to the extent § 217(g) applies, for taxable years beginning after December 31, 2017, and § 70113(b) of the OBBBA added a new provision that included certain members of the intelligence community within the scope of § 217(g). Accordingly, members of the Armed Forces on active duty who move pursuant to a military order and incident to a permanent change of station to whom § 217(g) applies and members of the intelligence community who move after December 31, 2025, pursuant to a change of assignment which requires relocation, are permitted to deduct certain moving expenses. Thus, except for taxpayers to whom § 217(g) applies, including certain members of the intelligence community, the standard mileage rate provided in this notice is not applicable for the use of an automobile as part of a move.

SECTION 4. BASIS REDUCTION AMOUNT

For automobiles a taxpayer uses for business purposes, the portion of the business standard mileage rate treated as depreciation is 26 cents per mile for 2022, 28 cents per mile for 2023, 30 cents per mile for 2024, 33 cents per mile for 2025, and 35 cents per mile for 2026. See section 4.04 of Rev. Proc. 2019-46.

SECTION 5. MAXIMUM STANDARD AUTOMOBILE COST

For purposes of computing the allowance under a FAVR plan, the standard automobile cost may not exceed $61,700 for automobiles (including trucks and vans). See section 6.02(6) of Rev. Proc. 2019-46.

SECTION 6. MAXIMUM VALUE OF EMPLOYER-PROVIDED AUTOMOBILES

For purposes of the fleet-average valuation rule in § 1.61-21(d)(5)(v) and the vehicle cents-per-mile valuation rule in § 1.61-21(e), the maximum FMV of automobiles (including trucks and vans) first made available to employees in calendar year 2026 is $61,700.

SECTION 7. EFFECTIVE DATE

This notice is effective for: (1) deductible transportation expenses paid or incurred on or after January 1, 2026; (2) mileage allowances or reimbursements paid to a charitable volunteer or a member of the Armed Forces to whom § 217(g) applies and certain members of the intelligence community: (a) on or after January 1, 2026, and (b) for transportation expenses the charitable volunteer or such member of the Armed Forces or member of the intelligence community pays or incurs on or after January 1, 2026; and (3) for purposes of the maximum FMV of employer-provided automobiles for which employers may use the fleet-average valuation rule in § 1.61-21(d)(5)(v) or the vehicle cents-per-mile rule in § 1.61-21(e), automobiles first made available to employees for personal use on or after January 1, 2026.

SECTION 8. EFFECT ON OTHER DOCUMENTS

Notice 2025-5 is superseded.

DRAFTING INFORMATION

The principal author of this notice is Christian Lagorio of the Office of Associate Chief Counsel (Income Tax and Accounting). For further information on this notice regarding the use of an employee-provided automobile, contact Mr. Lagorio at (202) 317-7005 (not a toll-free number). For further information on this notice regarding the use of an employer-provided automobile, contact Stephanie Caden of the Office of Associate Chief Counsel (Employee Benefits, Exempt Organizations, and Employment Taxes), at (202) 317-4774 (not a toll-free number).