



**STATE OF NORTH CAROLINA
OFFICE OF STATE BUDGET AND MANAGEMENT**

BEVERLY EAVES PERDUE
GOVERNOR

CHARLES E. PERUSSE
STATE BUDGET DIRECTOR

December 9, 2009

MEMORANDUM

TO: Department Heads and Chief Fiscal Officers

FROM: Charles Perusse *Charles E. Perusse*

RE: Change in IRS Mileage Rate

Effective January 1, 2010, the Internal Revenue Service (IRS) has decreased the business standard mileage rate from 55 cents per mile to 50 cents per mile to reflect generally lower transportation costs compared to the prior year. Accordingly and pursuant to G.S. 138-6(a)(1), the Office of State Budget and Management will adjust the allowable rate of reimbursement for travel by officers and employees on official state business that operate from funds deposited with the State Treasurer. The Travel Policies and Regulations section of the Budget Manual will be updated to reflect the new IRS mileage rate of 50 cents per mile.

The standard mileage rate set by the IRS will be paid to State officers and employees who use their personal vehicle for state business and the roundtrip distance does not exceed 100 miles. In addition, if a state owned vehicle is not available for the employee's state business travel regardless of the distance, he or she shall be reimbursed at the IRS rate.

Departments and agencies should continue to use the 33 cents per mile rate for employees who choose to use personal vehicles on trips that exceed 100 miles roundtrip when a state vehicle is available.

If you have specific questions regarding the new IRS mileage rate, please contact your OSBM budget analyst at (919) 807-4700.