



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

BEVERLY EAVES PERDUE  
GOVERNOR

ANDY WILLIS  
STATE BUDGET DIRECTOR

December 5, 2012

MEMORANDUM

TO: Department Heads and Chief Fiscal Officers

FROM: Andy Willis  
State Budget Director

RE: Change in IRS Mileage Rate

Effective January 1, 2013, the Internal Revenue Service (IRS) has increased the business standard mileage rate from 55.5 cents per mile to 56.5 cents per mile to better reflect the recent increase in gas prices. 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 56.5 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 30 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.