



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

ROY COOPER
GOVERNOR

CHARLES PERUSSE
STATE BUDGET DIRECTOR

January 4, 2017

MEMORANDUM

TO: Department Heads and Chief Fiscal Officers

FROM: Charles Perusse *Charles Perusse*
State Budget Director

RE: Change in IRS Mileage Rate Effective January 1, 2017

Effective January 1, 2017, the Internal Revenue Service (IRS) has established new mileage rates based on an annual study of the fixed and variable costs of operating an automobile. The business standard rate decreased from 54 cents per mile to 53.5 cents, and the medical or moving purposes rate decreased from 19 cents per mile to 17 cents. 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 has been updated to reflect the new IRS mileage rates. Please review your department's budget and travel policies to ensure that they are consistent with the revised Section 5.1.26. If you have specific questions regarding these changes, please contact your OSBM budget analyst at (919) 807-4700.