

To: President and Members of the Munster Town Council

From: Wendy Mis, Clerk-Treasurer, IAMC

Copy to: Dustin Anderson, Town Manager
Steve Gunty, Director-Public Works
David Pelc, Fire Chief
Steve Scheckel, Chief of Police
Tom Vander Woude, Planning Director
Mark Heintz, Director-Parks & Recreation
Staff of the Clerk-Treasurer's Office

Date: December 28, 2020

Re: Standard Mileage Rate for 2021 is 56¢ per Mile

The 2021 Salary Ordinance 1817, provided, in part, the following:

"Mileage Reimbursement Rate – Employee use of a privately owned vehicle driven on official Town business shall be reimbursed at the standard mileage rate established by the latest Internal Revenue Service determination for business miles driven."

On December 22, 2020, the Internal Revenue Service announced that beginning January 1, 2021, the standard mileage rate for the use of a vehicle for business purposes will be 56 cents per mile for business miles driven. This rate is a *decrease* of 1½ ¢ from the rate of 57.5 ¢ per mile that became effective January 1, 2020.

Claims for mileage reimbursement must be made on General Form No. 101 (1955), available through the Clerk-Treasurer's Office.

The IRS announcement follows:

IR-2020-279, December 22, 2020

WASHINGTON — The Internal Revenue Service today issued the 2021 optional standard mileage rates used to calculate the deductible costs of operating an automobile for business, charitable, medical, or moving purposes.

Beginning on January 1, 2021, the standard mileage rates for the use of a car (also vans, pickups or panel trucks) will be:

- 56 cents per mile driven for business use, down 1.5 cents from the rate for 2020,
- 16 cents per mile driven for medical, or moving purposes for qualified active-duty members of the Armed Forces, down 1 cent from the rate for 2020, and
- 14 cents per mile driven in service of charitable organizations, the rate is set by statute and remains unchanged from 2020.

The standard 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 is based on the variable costs.