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Michael F. Easley, Governor
Carmen Hooker Odom, Secretary

James B. Slate, Jr., Director

December 22, 2005

MEMORANDUM

TO: Division Directors
Office Directors
Budget Officers

FROM: Jim Slate

SUBJECT: Change in IRS Mileage Rate

In a memorandum dated December 20, 2005, from the Office of State Budget and Management, all Departments were notified that the IRS business mileage rate has been **reduced** from 48.5 cents per mile to 44.5 cents per mile. In compliance with G.S. 138-6(a)(1), employees incurring mileage on their personal vehicles in performing business for the State on or after January 1, 2006, will be reimbursed at the IRS business mileage rate of 44.5 cents per mile. A copy of the OSBM memorandum is attached for your reference.

The following policies remain in effect:

- Mileage reimbursement rates set by any other law by reference to G.S. 138-6(a)(1) are established at 25.0 cents per mile, NOT the IRS rate.
- Mileage is measured from the closer of duty station or point of departure to destination (and return).
- Employees who elect to use personal vehicles when a state-owned vehicle is available will continue to be reimbursed at 25.0 cents per mile.

If you have any questions, please contact you Budget Analyst in this office.

JS:gg

Attachment

cc: Carmen Hooker Odom Dan Stewart
Dr. Allen Dobson Jackie Sheppard
Allyn Guffey DHHS Budget Analysts