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IRS sets 2026 business standard mileage rate at 72.5 cents per mile, up 2.5 cents

IR-2025-128, Dec. 29, 2025

WASHINGTON — The Internal Revenue Service today announced that the optional standard mileage rate for business use of automobiles will increase by 2.5 cents in 2026, while the mileage rate for vehicles used for medical purposes will decrease by half a cent, reflecting updated cost data and annual inflation adjustments.

Optional standard mileage rates are used to calculate the deductible costs of operating vehicles for business, charitable, and medical purposes. Additionally, the optional standard mileage rate may be used to calculate the deductible costs of operating vehicles for moving purposes for certain active-duty members of the Armed Forces, and now, under the One, Big, Beautiful Bill, certain members of the intelligence community.

Beginning Jan. 1, 2026, the standard mileage rates for the use of a car, van, pickup or panel truck will be:

- 72.5 cents per mile [driven for business use](#), up 2.5 cents from 2025.
- 20.5 cents per mile driven for medical purposes, down a half cent from 2025.
- 20.5 cents per mile driven for moving purposes for certain active-duty members of the Armed Forces (and now certain members of the intelligence community), reduced by a half cent from last year.
- 14 cents per mile driven in service of charitable organizations, equal to the rate in 2025.

The rates apply to fully-electric and hybrid automobiles, as well as gasoline and diesel-powered vehicles.

While the mileage rate for charitable use is set by statute, the 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, meanwhile, is based on only the variable costs from the annual study.

Under the law, taxpayers cannot claim a miscellaneous itemized deduction for unreimbursed employee travel expenses, except for certain educator expenses. However, deductions for expenses that are deductible in determining adjusted gross income remain allowable, such as for certain members of a reserve component of the Armed Forces, certain state and local government officials, certain performing artists, and eligible educators. Alternatively, eligible educators may claim an itemized deduction for certain unreimbursed employee travel

expenses. In addition, only taxpayers who are members of the military on active duty or certain members of the intelligence community may claim a deduction for moving expenses incurred while relocating under orders to a permanent change of station.

Use of the standard mileage rates is optional. Taxpayers may instead choose to calculate the actual costs of using their vehicle.

Taxpayers using the standard mileage rate for a vehicle they own and use for business must choose to use the rate in the first year the automobile is available for business use. Then, in later years, they can choose to use the standard mileage rate or actual expenses.

For a leased vehicle, taxpayers using the standard mileage rate must employ that method for the entire lease period, including renewals.

[Notice-2026-10](#) [PDF](#) contains the optional 2026 standard mileage rates, as well as the maximum automobile cost used to calculate mileage reimbursement allowances under a fixed-and variable rate plan. The notice also provides the maximum fair market value of employer-provided automobiles first made available to employees for personal use in 2026 for which employers may calculate mileage allowances using a cents-per-mile valuation rule or the fleet-average-valuation rule.

Optional Standard Mileage Rates Announcement 2026-11

This announcement informs taxpayers that the Internal Revenue Service is modifying Notice 2026-10, 2026-4 I.R.B. 378, by revising the optional standard mileage rates for computing the deductible costs of operating an automobile for business, medical, or moving expense purposes and for determining the reimbursed amount of these expenses that is deemed substantiated. This modification results from recent increases in the price of fuel.

The revised standard mileage rates are:

- (1) Business 76 cents per mile
- (2) Medical and moving 23.5 cents per mile

The mileage rate that applies to the deduction for charitable contributions is fixed under § 170(i) of the Internal Revenue Code at 14 cents per mile.

The revised standard mileage rates set forth in this announcement apply to deductible transportation expenses paid or incurred for business, medical, or moving expense purposes on or after July 1, 2026, and to mileage allowances that are paid both (1) to an employee on or after July 1, 2026, and (2) for transportation expenses paid or incurred by the employee on or after July 1, 2026.

The standard mileage rates set forth in Notice 2026-10 continue to apply to deductible transportation expenses paid or incurred for business, medical, or moving expense purposes before July 1, 2026, and to mileage allowances paid (1) to an employee before July 1, 2026, or (2) with respect to transportation expenses paid or incurred by the employee before July 1, 2026.

All other provisions of Notice 2026-10 remain in effect.
EFFECT ON OTHER DOCUMENTS

Notice 2026-10 is modified.
DRAFTING INFORMATION

The principal author of this announcement is Christian Lagorio of the Office of Chief Counsel (Income Tax and Accounting). For further information regarding this announcement contact Mr. Lagorio at (202) 317-7005 (not a toll-free number).