

MARK-UP

RULE 2011-1

STANDARD MILEAGE RATES FOR INCOME TAX PURPOSES

The Commissioner of Revenue, pursuant to his authority under *Ark. Code Ann.* §§ 26-18-301 and 26-51-423(a)(3), does hereby issue the following amendment to the above mentioned regulation to give the Department of Finance and Administration a standard definition of the new standard mileage rate allowance for taxpayers to coordinate with a change in the allowable federal rate:

The optional standard mileage rate, for use by employees or self-employed individuals in computing the income tax deductible costs of operating passenger automobiles owned by them for business purposes, is fifty-one cents (51¢) per mile for expenses paid or incurred during the 2011 calendar year from January 1, 2011 through June 30, 2011 and fifty-five and one-half cents (55.5¢) per mile for expenses paid or incurred from July 1, 2011 through December 31, 2011.

The optional mileage rate for use by individuals in computing the income tax deductible costs of operating passenger automobiles owned by them for a charitable organization is fourteen cents (14¢) per mile.

The optional standard mileage rate allowed in computing the cost of operating a passenger automobile where transportation expenses are deductible as a medical or moving expense is nineteen cents (19¢) per mile for expenses paid or incurred during the 2011 calendar year from January 1, 2011 through June 30, 2011 and twenty-three and one-half cents (23.5¢) mile for expenses paid or incurred from July 1, 2011 through December 31, 2011.

The standard mileage rate for business use of a vehicle by a rural mail carrier as set by the Internal Revenue Service for tax year 2011 is hereby adopted. Reimbursement for a carrier's mileage shall be treated as a payment from a qualified plan. As such, mileage reimbursement will be excluded from a carrier's gross income. However, a carrier will not be allowed to deduct vehicle-related expenses incurred while working as a rural mail carrier.

The mileage rates stated above shall be in effect for tax years beginning on and after January 1, 2011.

Issued this _____ day of ~~April~~ August 2011 in the City of Little Rock, Pulaski County, Arkansas

Richard A. Weiss, Director
Arkansas Department of Finance and
Administration

Tim Leathers, Deputy Director/Commissioner of Revenue
Arkansas Department of Finance and
Administration