

June 30, 2008

TO: School District Administrators  
FROM: Division of Administration and Finance  
SUBJECT: Mileage Rate Change for 2008

The Internal Revenue Service has announced that the standard mileage rate will **INCREASE** from 50.5 cents to 58.5 cents effective July 1, 2008. This is the rate at which employers can reimburse employees, tax free, for business use of their personal automobiles.

However, if the employee is reimbursed at a higher rate than 58.5 cents per mile, **ONLY** the excess should be included as income on the employee's Form W-2.

Mileage rates for each school district are set by their Board of Trustees. These rates can be more or less than the tax-free rate that the IRS has set.

**For further information concerning the mileage rate, please contact Steve Mattern, director, District Financial Services, (661) 636-4691.**

SM:mrp