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SANTA BARBARA • SANTA CRUZ

OFFICE OF THE EXECUTIVE VICE PRESIDENT— CHIEF FINANCIAL OFFICER

OFFICE OF THE PRESIDENT 1111 Franklin Street 7th Floor Oakland, California 94607-5200

June 14, 2022

CONTROLLERS

Subject: Mileage Reimbursement Rate Changes Effective July 1, 2022

On June 9, 2022, the IRS announced a mid-tax year adjustment to the standard mileage rate. The IRS normally updates the mileage rates once a year in December for the next calendar year. However, in recognition of recent gasoline price increases, the IRS made this special adjustment for the second half of 2022. Accordingly, the University's mileage reimbursement rates for expenses incurred in connection with the business use of a private automobile will *increase* in line with the Internal Revenue Service standard mileage rates published in IRS Notice 2022-13. The following new rates are effective for expenses incurred on or after July 1, 2022:

- The reimbursement rate for the use of a private automobile for University business travel will *increase* from 58.5 cents a mile to 62.5 cents a mile.
- The reimbursement rate for driving an automobile in connection with a move or relocation will *increase* from 18 cents a mile to 22 cents a mile. (Note that reimbursements for moving- related expenses, including mileage, are considered taxable wage income as of January 1, 2018).

For travel from Jan. 1 through June 30, 2022, the locations should continue to use the rates set forth in <u>Notice 2022-03</u>. Also, I would like to remind the locations that we are considered a public agency. As such, we should use University resources in a prudent manner. University employees traveling on official business shall observe normally accepted standards of propriety in the type and manner of expenses they incur, and avoid any expenditure that would appear extravagant or lavish under the circumstances.

Business and Finance Bulletin G-28, *Travel Regulations*, will be revised to include the mileage rate change at the next update. If you have any questions, please call David Won at (510) 587-6043.

-DocuSigned by:

Barbara (wallos Barbara Cevallos Associate Vice President and Systemwide Controller June 14, 2022 Page 2

cc: Executive Vice President and Chief Financial Officer Brostrom Provost and Executive Vice President Brown Executive Vice President - Chief Operating Officer Nava Vice Chancellors - Administration Vice President - Systemwide Human Resources Lloyd Vice President Leasure Vice President Humiston Executive Director Kalmijn Accounts Payable and Travel Managers Manager Won