

Mileage Rates Increase Effective September 1, 2005

As a result of the recent increase in the cost of gasoline, the Internal Revenue Service just announced an increase in the optional standard mileage rates used by employees, self-employed individuals, and other taxpayers for the last four months of 2005. The rate for the business use of an automobile has been increased to 48.5 cents per mile for all business miles driven between September 1 and December 31, 2005. The rate for computing the deductible medical or moving expenses has been increased to 22 cents per mile for miles driven between September 1 and December 31, 2005. The rate for charitable use remained unchanged.

The following is a comparison of the rates for 2005:

<u>Purpose</u>	<u>1/1 to 8/31/05</u>	<u>9/1 to 12/31/05</u>
Business use (cents per mile)	40.5	48.5
Medical and Moving (cents per mile)	15	22
Charitable Use (cents per mile)	14	14

If you have any questions, please contact Maria Solis at 312-384-4282.