The IRS issued Revenue Procedure 2004-64 on November 17, 2004, giving the optional standard mileage rates for use in computing the deductible costs of operating an automobile for business and other purposes beginning January 1, 2005. The business mileage rate will be increased to .405 cents per mile (up from .375 cents per mile in 2004).

Pace’s policy for mileage reimbursement has been to follow the IRS’s guidance on this matter, so effective January 1, 2005 the University will reimburse employees for the business use of personal automobiles at the .405 cents per mile rate. Please note the new rate of .405 cents applies to all business travel incurred on/after January 1, 2005. All mileage incurred through December 31, 2004 will be reimbursed at the .375 cents per mile rate.