Mileage Reimbursement Clarification
1/21/15

In response to inquiries from various personnel, the university’s Tax Department has below provided a clarification of the existing Travel Policy with respect to certain tax aspects of reimbursement to employees for mileage incurred through the use of personal automobiles in the performance of their duties. It is important to emphasize that mileage reimbursement is at the discretion of the department or school for which the employee works. It is equally important to recognize that controlling costs is the responsibility of employees at all levels. Therefore, fiscal restraint is strongly encouraged in deciding at what levels this discretionary reimbursement should be allowed.

Use of Personal Automobile
Automobile expenses will be reimbursed at the current Internal Revenue Service (IRS) mileage rate, when a personal automobile is used. Reimbursement based upon actual expenses is not allowed. Supporting documentation must include the business purpose and actual mileage. Reimbursement is allowed in accordance with IRS guidelines for nontaxable reimbursement. These guidelines exclude commuting mileage which is defined as the distance between an employee’s home and her/his normal place of work. The extent of allowed reimbursement of employee-incurred mileage in excess of regular commuting mileage will be determined by the policy of the paying department. For this purpose, the commuting mileage between an employee’s home and regular place of work is always taxable regardless of the day of the week or circumstances and should not be reimbursed. Generally the regular place of work is the campus at which the employee performs most of her/his duties. Reimbursement for daily travel for university business in excess of an employee’s commute will not be taxable if the employee reports to her/his regular place of work during that day. Reimbursement for travel directly to a temporary work location will not be taxable. A temporary work location is a location at which an employee’s assigned duties are performed for a period of less than one year but is a location other than the regular place of work.

For assistance determining regular and temporary work locations, contact the Tax Department.