

State of California

M E M O R A N D U M

To: Personnel Management Liaisons

Reference Code: 88-103  
Effective Date: January 1, 1989  
Expiration Date: Indefinite  
Date of Issue: December 1, 1988

**THIS MEMORANDUM SHOULD BE DISTRIBUTED TO:  
ACCOUNTING OFFICERS  
PERSONNEL OFFICERS  
EMPLOYEE RELATIONS OFFICERS  
HOLDERS OF THE SUPERVISOR'S GUIDE**

**DISTRIBUTE ATTACHMENT TO ALL EMPLOYEES**

From: Department of Personnel Administration

Subject: Mileage Reimbursement

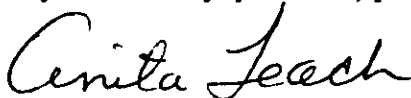
This memorandum is to update information contained in Department of Personnel Administration (DPA) memorandum 88-90, issued October 25, 1988.

On October 31, 1988, the Internal Revenue Service (IRS) issued bulletin number 1988-44 which announced that, effective January 1, 1988, the IRS standard mileage rate was raised to 24 cents per mile. Effective January 1, 1989, departments will be required to report mileage reimbursements when employees claim in excess of 24 cents per mile. IRS has agreed to not require the State to report reimbursements prior to that date.

**Effective January 1, 1989**, the Department of Personnel Administration will no longer require that the mileage certification form (DPA Form 263) be completed when employees claim rates which exceed 24 cents per mile. However, beginning **January 1, 1989**, employees who claim in excess of 24 cents must certify that the cost of operating their private vehicle exceeds the IRS standard mileage rate by completing the appropriate block on the travel expense claim. Employees who claim in excess of the IRS standard mileage rate should be reminded that under IRS Revenue Ruling 84-127, the State is required to report the entire amount of mileage reimbursements as income. Employees who wish to claim additional expenses for mileage should be advised to consult IRS publications 917 and 463 when filing their tax returns.

Amended claims for mileage reimbursement for State travel during 1988 are not appropriate.

If you have any questions, please call Diane Hachey at (916) 324-9377, ATSS 454-9377.



Anita G. Leach, Chief  
Benefits Division

Attachment

State of California

MEMORANDUM

To: All State Employees

Date: December 1, 1988

From: Department of Personnel Administration

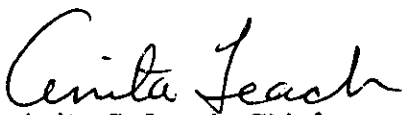
Subject: Private Vehicle Mileage Reimbursement

This is to summarize the State of California's private vehicle mileage reimbursement procedures for 1989.

Beginning January 1, 1989, the State of California is required to report on Federal Tax Form W-2 all private vehicle reimbursements for amounts greater than the standard mileage rate set by the IRS. On October 31, 1988, the IRS issued bulletin 1988-44 to announce that this rate was raised to 24 cents (effective January 1, 1988). However, please note that no amended claims for mileage reimbursement for travel during 1988 will be honored, since employees with supporting justification had the opportunity to claim up to 30 cents during the 1988 tax year.

Effective January 1, 1989, State employees are no longer required to complete DPA Form 263 when claiming amounts in excess of the standard IRS mileage rate. However, you are still required to certify on the travel expense claim if the cost of operating the vehicle exceeds the standard rate. If you claim above the standard rate, you may want to consult IRS publications 917 and 463. The most important thing to remember is that all reimbursements claimed above the IRS standard rate will be included in your Form W-2.

If you need assistance, please contact your travel reimbursement clerk or your accounting office.



Anite G. Leach, Chief  
Benefits Division

AGL:RKC:pm