

SEAN SCANLON
STATE COMPTROLLER



TARA DOWNES
DEPUTY COMPTROLLER



STATE OF CONNECTICUT
OFFICE *of the* STATE COMPTROLLER
165 Capitol Ave.
Hartford, CT 06106

MEMORANDUM NO. 2025-05

January 22, 2025

TO THE HEADS OF ALL STATE AGENCIES

Attention: Agency Heads, Chief Administrative and Fiscal Officers, Business Managers, Payroll and Human Resource Officers

Subject: Increase in IRS Standard Mileage Rate

I. PURPOSE

The purpose of this memorandum is to inform agencies of the Internal Revenue Service (IRS) Notice 2025-05 dated December 19, 2024, increasing the **IRS standard mileage rate** for privately owned automobiles used to conduct business for calendar year 2025.

II. IRS STANDARD MILEAGE RATE

The IRS standard mileage rate for business use of an automobile has been increased to **70 cents per mile effective January 1, 2025**. The standard mileage rate is used as a criterion for determining the W-2 reportability of mileage reimbursements made to employees for the business use of their personal vehicles. The excess of an employee's mileage payment reimbursed at a rate higher than the standard mileage rate of 70 cents per mile is reportable. **The standard mileage rate should not be confused with the GSA rate which, until the new rate is approved by the Office of Labor Relations, will remain at 67 cents.**

III. PAYROLL PROCEDURES

The CO-17XP-PR, Employee Payroll Reimbursements form is to be completed when reimbursing an employee for mileage expenses incurred in the service of the State of Connecticut. The payment is processed through the Active and Pension Payroll Services Division.

A. Payroll coding information for **non-reportable** mileage payments are as follows:

- Earnings Code – NRM
- Account – 50800

B. Payroll coding information for **reportable** mileage payments are as follows:

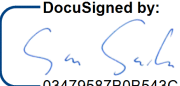
- Earnings Code – MIL
- Account – 50800

IV. COMMENTS & QUESTIONS

Any comments or questions concerning this memorandum, or its interpretation may be directed to the Office of the State Comptroller, Central Accounts Payable Division at osc.apd@ct.gov.

Other inquiries may be directed as follows:

- Payroll Procedures: osc.payroll@ct.gov
- Personnel Inquiries: Agency's Human Resource Officer

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SS:CM

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