SEAN SCANLON
STATE COMPTROLLER

TARA DOWNES
DEPUTY COMPTROLLER

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

MEMORANDUM NO. 2026-27

July 28, 2026

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 notify agencies that the Internal Revenue Service (IRS), through Announcement 2026-11, published in Internal Revenue Bulletin 2026-29 on July 13, 2026, announced an increase in the **IRS standard mileage rate** for privately owned automobiles used to conduct business on or after July 1, 2026.

II. IRS STANDARD MILEAGE RATE

The IRS standard mileage rate for business use of an automobile has increased to **76.0 cents per mile**, effective **July 1, 2026**. The standard mileage rate is used as the criterion for determining the **W-2 reportability** of mileage reimbursements made to employees for the business use of their personal vehicles. Any portion of an employee's mileage reimbursement that exceeds the standard mileage rate of 76.0 cents per mile is reportable as income.

The IRS standard mileage rate should not be confused with the GSA mileage reimbursement rate. The GSA mileage reimbursement rate for state employees is currently 72.5 cents per mile. No changes are anticipated at this time. If any changes are made, they will be communicated by the Office of Labor Relations.

III. PAYROLL PROCEDURES

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

a. Payroll coding information for non-reportable mileage payments is as follows:
    i. Earnings Code – NRM
    ii. Account – 50800
b. Payroll coding information for reportable mileage payments is as follows:
    i. Earnings Code – MIL
    ii. Account – 50800

IV. 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 Resources Officer

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SS:CM
http://www.osc.ct.gov