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December 22, 2008

DEPARTMENT OF TAXATION ANNOUNCEMENT NO. 2008-11

RE: Adoption of Optional Standard Mileage Rates for 2009

The Department of Taxation (Department) conforms to the federal optional standard mileage rates for computing deductions for operating an automobile for business, charitable, medical, or moving expense purposes. In IR-2008-131, dated November 24, 2008, the Internal Revenue Service announced that the standard mileage rates for 2009 will be published in Rev. Proc. 2008-72 (Internal Revenue Bulletin 2008-50, December 15, 2008), and are as follows[1]:

Business	**55 cents per mile**
Medical or Moving	**24 cents per mile**
Charitable	**14 cents per mile**

To claim the allowable standard mileage rate for business purposes, taxpayers may use federal Form 2106 - "Employee Business Expenses" or federal Form 2106-EZ - "Unreimbursed Employee Business Expenses". If you do not have to file either Form 2106 or 2106-EZ, see the federal instructions for Form 1040 (Schedule A - "Itemized Deductions") to properly claim the unreimbursed mileage.

Hawaii Form N-139 - "Moving Expenses" must be used to claim the allowable standard mileage rate for moving expenses.

To claim the allowable standard mileage rate for charitable or medical purposes, refer to the federal instructions for Form 1040 (Schedule A).

Current forms and other tax information may be downloaded from the Department's website at: www.hawaii.gov/tax. If you know which tax form or publication you need, please

[1] The business mileage rate was 50.5 cents a mile in the first half of 2008 and 58.5 cents a mile in the second half of 2008. The mileage rate for purposes of the medical or moving expense deductions was 19 cents a mile in the first half of 2008 and 27 cents a mile in the second half of 2008. The mileage rate for purposes of the charitable deduction was 14 cents a mile for 2008. See Rev. Proc. 2007-70, Internal Revenue Bulletin No. 2007-50 (December 10, 2007) and Announcement 2008-63, Internal Revenue Bulletin No. 2008-28 (July 14, 2008).

call the Department's Forms and Publications by Mail request line at 808-587-7572, or toll-free from the neighbor islands and continental U.S. at 1-800-222-7572.

S Yahiro

for KURT KAWAFUCHI
Director of Taxation

HRS Section Explained: HRS Section 235-2.3(a)