

Congress of the United States

Washington, DC 20510

May 13, 2022

The Honorable Charles P. Rettig
Commissioner
Internal Revenue Service (IRS)
1111 Constitution Avenue, N.W.
Washington, D.C. 20224

Dear Commissioner Rettig:

We write today to respectfully request that the IRS increase the 2022 optional standard mileage rate used to calculate the deductible cost of operating an automobile for business purposes and make this increase retroactive to March 1, 2022. As you know, gas prices have reached record highs in 2022¹. Increasing the standard mileage rate is critical to support the small business owners, self-employed individuals, and gig-economy workers whose livelihoods have been most harmed by these price increases.

Since Russia's brutal and unprovoked invasion of Ukraine in late February, oil company CEOs have seized on the chaos and uncertainty of the situation to increase prices at an alarming rate. According to the U.S. Energy Information Administration, the average cost of a gallon of gas in March 2022 was \$4.30² – up nearly a dollar per gallon from December 2021 when the IRS issued the 2022 optional standard mileage rates³ – and prices have remained elevated. Given the significant increase in gas prices, we urge the IRS to consider raising the standard mileage rate at a rate that proportionately reflects gas price increases. Additionally, the increase should be made retroactive, applying to miles driven on and after March 1, 2022, when the major gas price increases began.

As you know, there is ample historical precedent for the IRS to increase the standard mileage rate in response to high gas prices. In June 2011, the IRS increased the standard mileage rate by 4.5 cents per mile for miles driven after July 1, 2011 and stated that it was doing so, “in recognition of recent gasoline price increases.”⁴ In 2022, consumers and businesses have seen gas prices grow even higher than they did in 2011 when the IRS last took this action. As such, we believe it is appropriate for the IRS to move to ensure that its standard mileage rate deduction grows proportionately to increases in prices, and that the adjustment be made retroactive to March 1.

Rideshare drivers, small business owners, and other self-employed individuals are key contributors to our economy, and they rely on optional standard mileage rate deductions that

¹ https://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=pet&s=emm_epm0_pte_nus_dpg&f=m

² https://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=pet&s=emm_epm0_pte_nus_dpg&f=m

³ <https://www.irs.gov/newsroom/irs-issues-standard-mileage-rates-for-2022>

⁴ <https://www.irs.gov/newsroom/irs-increases-mileage-rate-to-55-5-cents-per-mile>

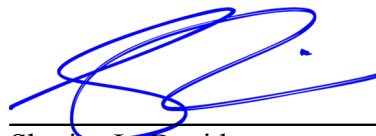
reflect the real cost of doing business. We therefore urge the IRS to act quickly to increase this rate and provide these individuals and small businesses with the economic certainty they need.

Thank you for your time and attention to this matter.

Sincerely,



Ruben Gallego
Member of Congress



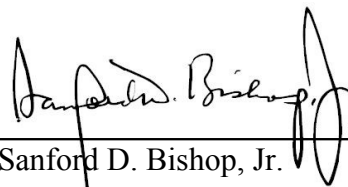
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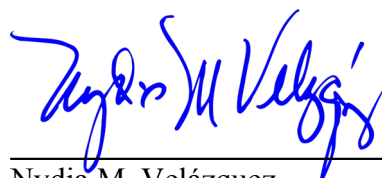
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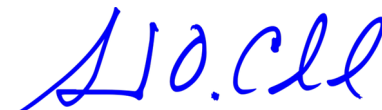
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