



3138 10th Street North  
Arlington, VA 22201-2149  
703.842.2215 | 800.336.4644  
f: 703.522.2734  
dberger@nafcu.org | nafcu.org

**B. Dan Berger**  
President & Chief Executive Officer

**National Association of Federally-Insured Credit Unions**

March 23, 2022

The Honorable Charles P. Rettig  
Commissioner  
Internal Revenue Service  
1111 Constitution Ave., NW  
Washington, D.C. 20224

**RE: 2022 Standard Optional Mileage Rate**

Dear Commissioner Rettig:

On behalf of the National Association of Federally-Insured Credit Unions (NAFCU), I am writing to you regarding the Internal Revenue Service (IRS) 2022 standard optional mileage rate (2022 rate). NAFCU advocates for all federally-insured not-for-profit credit unions that, in turn, serve over 127 million consumers with personal and small business financial service products. NAFCU urges the IRS to revise its 2022 optional standard mileage rates to reflect the strained gas market, rapid increase in gas prices, and resulting impact on consumers and inflation. Many of NAFCU's member credit unions rely on the IRS standard optional mileage rate to determine the correct rate to reimburse employees for work related automobile travel. With gas prices rising swiftly and the 2022 rate no longer representing an accurate measure of prices, credit unions and their employees deserve a rate that is a fair reflection of the current market. The IRS has taken these steps in the past to alleviate the impacts of spiking gas prices and it should do so again now.

On December 17, 2021, the IRS issued Notice 2022-03 which included the 2022 optional standard mileage rates for computing the deductible costs of operating an automobile and for determining the reimbursed amount of those expenses that is deemed substantiated. The rates issued were as follows:

- 58.5 cents per mile driven for business use, up 2.5 cents from the rate for 2021,
- 18 cents per mile driven for medical, or moving purposes for qualified active-duty members of the Armed Forces, up 2 cents from the rate for 2021 and
- 14 cents per mile driven in service of charitable organizations; the rate is set by statute and remains unchanged from 2021.

On February 24, 2022, the Russian Federation invaded Ukraine. In response, on March 8, 2022 President Biden signed an Executive Order to ban the import of Russian oil, liquefied natural gas, and coal to the United States. The same day, according to the American Automobile Association (AAA) the price of a gallon of regular gasoline broke a 14-year record in the U.S., as the national

average gas price soared past its previous peak of \$4.144 per gallon, set in July 2008, and continued rising to hit \$4.331 per gallon on March 11.<sup>1</sup>

In the months preceding the latest escalation in the Russo-Ukrainian war, global demand for oil had rapidly grown, outpacing global supply and causing gas prices to steadily climb. Russia's invasion of Ukraine and the resulting ban in Russian oil imports has disrupted an already tight oil market, in which prices have increased on the back of a post-COVID economic rebound. This is likely to further drive up crude and gasoline prices in the U.S., with the U.S. Energy Information Administration forecasting that the U.S. average gasoline price will reach \$4.10 per gallon on average in the 2<sup>nd</sup> quarter of 2022<sup>2</sup> and other estimates suggesting that gas costs might spike to \$5.84 per gallon if crude exceeds \$200 per barrel.

In 2011, in recognition of significant gasoline price increases, the IRS made a special adjustment to increase the optional standard mileage rates. Specifically, in IRS Announcement 2011-40, the rate was increased to 55.5 cents a mile for all business miles driven from July 1, 2011, through December 31, 2011.<sup>3</sup> This was an increase of 4.5 cents from the 51-cent rate in effect for the first six months of 2011, as set forth in Revenue Procedure 2010-51. At that time Former IRS Commissioner Doug Shulman stated,

“This year's increased gas prices are having a major impact on individual Americans. The IRS is adjusting the standard mileage rates to better reflect the recent increase in gas prices. We are taking this step so the reimbursement rate will be fair to taxpayers.”<sup>4</sup>

As gas prices reach record highs this year, NAFCU urges the IRS to take the same prudent steps it took in 2011 and adjust the 2022 rate to account for the increases in gas prices. Without measures such as this, rising energy costs will continue to drive inflation, which is already reaching 40-year highs. The IRS can use 2011 as a blueprint and institute adjustments that are prospective and apply to miles driven for the second half of the year.

NAFCU's member credit unions provide essential financial products and services for millions of American and to carry out that mission, credit union employees need to use automobiles and gasoline in the normal course of business. The failure of the 2022 rate to accurately reflect gas prices puts employers, including NAFCU's member credit unions, in the unfair position of choosing between a mileage reimbursement that is out of sync with current gas prices or providing a higher reimbursement rate that may not be accepted by the IRS. As a matter of fairness, the IRS should adjust the rate for the second half of 2022.

---

<sup>1</sup> See AAA, “National Average Gas Prices” *available at* <https://gasprices.aaa.com/>

<sup>2</sup> See U.S. Energy Information Administration “Short-Term Energy Outlook” *available at* <https://www.eia.gov/outlooks/steo/>

<sup>3</sup> See IRS “Announcement 2011-40 - Optional Standard Mileage Rates” July 18, 2011

<sup>4</sup> See Zinner & Co. “IRS Increases Mileage Rate to 55.5 Cents per Mile” *available at* <https://www.zinnerco.com/zinner-blog/bid/127903/IRS-Increases-Mileage-Rate-to-55-5-Cents-per-Mile>

The Honorable Charles Rettig

March 23, 2022

Page 3 of 3

NAFCU would like to thank the IRS for its attention to the issue of increased gas prices. NAFCU urges the IRS to issue an adjustment to the 2022 standard optional mileage rate to reflect the recent increase in gas prices and the resulting financial strain that consumers face. If we can answer any questions or provide you with additional information on this issue, please do not hesitate to contact me or James Akin, NAFCU's Regulatory Affairs Counsel, at 703-615-5109 or [jakin@nafcu.org](mailto:jakin@nafcu.org).

Sincerely,

A handwritten signature in black ink, appearing to read "B. Dan Berger". The signature is stylized with a large initial "B" and a long, sweeping underline.

B. Dan Berger  
President and CEO