

## Learn How Much You Can Deduct for Business Miles in 2008

If there is a silver lining to preparing your tax return, it is clearly the tax deduction. It is your primary weapon when it comes to reducing the amount you have to pay Uncle Sam. Some deductions are better than others, particularly those that increase yearly.

The mileage deduction is the most popular modified deduction. Each year it increases or decreases depending on oil prices and such. Given the gas prices this year, you can probably guess which direction the deduction is headed for 2008.

The mileage deduction is actually three in one. If you incur mileage in your car for a business purpose, you can get a deduction. Most people know about this deduction, but there are two other facets.

The first is mileage for medical or moving purposes. The second is for miles driven in service to a charitable organization registered with the IRS. There are tests for both deductions, so make sure you read up on them.

The exact cents per mile you can deduct for each of these is recalibrated each year by the IRS. The agency has just kicked out the figures for the 2008 year and the business mileage rate has gone up yet again.

For the first time ever, the rate for calculating the business mileage deduction has topped 50 cents. It is now 50.5. If you drive 1,000 miles on business in 2008, you can claim a deduction of \$505, which isn't to bad at all.

The rates applicable to the other mileage deductions in 2008 are less positive. The charitable mileage rate is unchanged and remains at 19 cents. The moving and medical expense rate actually drops from 20 cents in 2007 to 19 in 2008.

Every deduction is a good deduction and that cliché certainly applies to mileage deductions. If you claim the deduction, make sure you keep records of your mileage in a mileage book. If you are audited, the IRS will want to see it.

### About the Author

Aazdak Alisimo writes about [taxes](#) for BusinessTaxRecovery.com. Click here for other [unique 'irs' articles](#).

Source: <http://uniquefinancialarticles.com>