

Mileage Allowances or Reimbursements

Employers may be required to report any non-accountable/un-substantiated mileage amounts as "other compensation" on the W2 statement and/or report the accountable/substantiated amounts in box 12 of the W2.

Allowances

Mileage allowances paid through HCM under earnings code **MIL** is automatically included in taxable earnings and are reported on the W2 in boxes 1, 3, 5, 16.

Mileage allowances paid through commercial warrants or accounts payable needed to be recorded in HCM by entering reportables code **WRM** on the employee payline for the calendar year amount.

Reimbursements

If you reimburse your employee for mileage expenses using a method other than the standard mileage rate or per diem methods (i.e., government specified rates) and the amount you reimburse exceeds the amounts specified under these methods, you must include in Box 12 Code L (non-taxable) the portion of the reimbursement that is equal to the amounts allowed by the government, **and** in Box 1 & 16, you must include the portion of the reimbursement that is in excess of the amount allowed by the government (taxable).

For 2021 the government mileage rate is:

From 1/1/2022 - 6/30/2022 - 58.5 cents per mile.

From 7/1/2022 - 12/31/2022 - 62.5 cents per mile.

Per diem rates vary by travel location and can be obtained from links below.

If you reimburse your employee at rates equal to or below government rates, **Do NOT** include any amount in Box 1 or 16.

Enter the appropriate reportables code on the employee payline:

WRM – For amounts over the mileage rate during that time period (taxable)

WXN – For amounts not exceeding the mileage rate during that time period (non-taxable)

Helpful Links:

[Revenue Procedure 2011-47](#)

[Notice 2019-46](#)

[Increase Mileage Mid Year Bulletin](#)