

**Department of Planning and Budget**  
**2005 Fiscal Impact Statement**

**1. Bill Number** HB2132

**House of Origin**    ☒ Introduced    ☐ Substitute    ☐ Engrossed  
**Second House**    ☐ In Committee    ☐ Substitute    ☐ Enrolled

**2. Patron**        Gear

**3. Committee** H. Appropriations

**4. Title**         Traveling on state business; reimbursement for private vehicles.

**5. Summary/Purpose:** This bill provides that the rate of reimbursement when using a private vehicle for traveling on state business shall be an amount equal to the most recent business standard mileage rate as established in the Internal Revenue Code for employees or self-employed individuals to use in computing their income tax deductible costs for operating passenger vehicles owned or leased by them for business purposes. Currently, the rate is specified in the general appropriation act.

**6. Fiscal Impact Estimates are preliminary:** According to the Department of Accounts, this bill will result in an expenditure impact of approximately \$370,000 for each cent the reimbursement rate is increased over the current rate. Currently, the Appropriations Act specifies a reimbursement rate of 32.5 cents per mile. The current IRS rate is 40.5 cents per mile. This equates to a total increase in expenditures of approximately \$2,960,000 per year. Of this total, the increase in expenditures of nongeneral funds is approximately \$1,912,160 (64.6 percent of the total) and the increase in general fund expenditures is approximately \$1,047,840 (35.4 percent of the total). The last raise in the reimbursement rate occurred in 2001 when the rate went from 27 cents per mile to 32.5 cents per mile.

**7. Budget amendment necessary:** Yes. § 4-5.04 f. 2.

**8. Fiscal implications:** See Item 6.

**9. Specific agency or political subdivisions affected:** All state agencies that incur mileage reimbursement expenses for employees using private vehicles for traveling on state business.

**10. Technical amendment necessary:** No.

**11. Other comments:** None.

**Date:** 01/17/05 / dma

**Document:** G:\Ga Sessions\2005 Session\2005 Fis\Hb2132.Doc

cc: Secretary of Finance