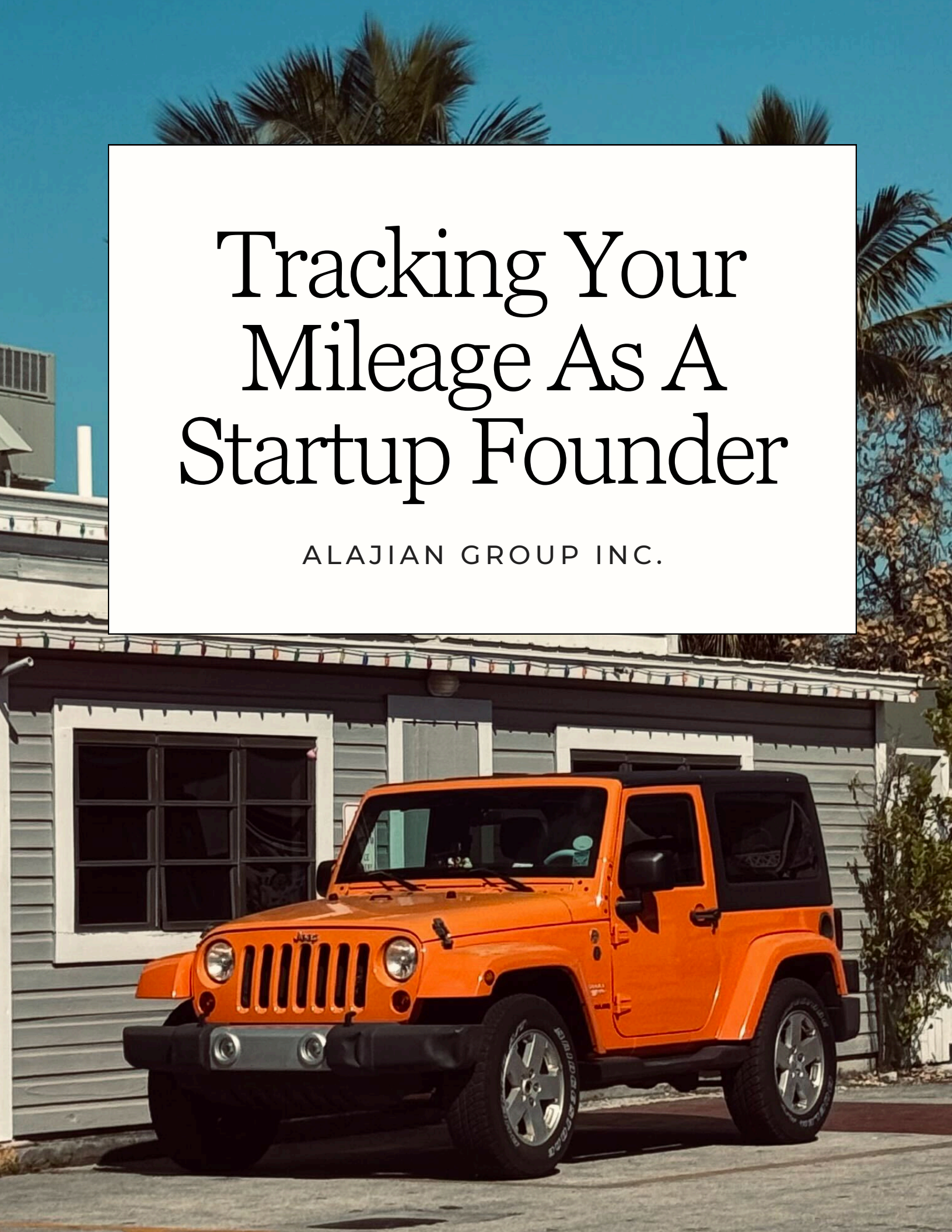
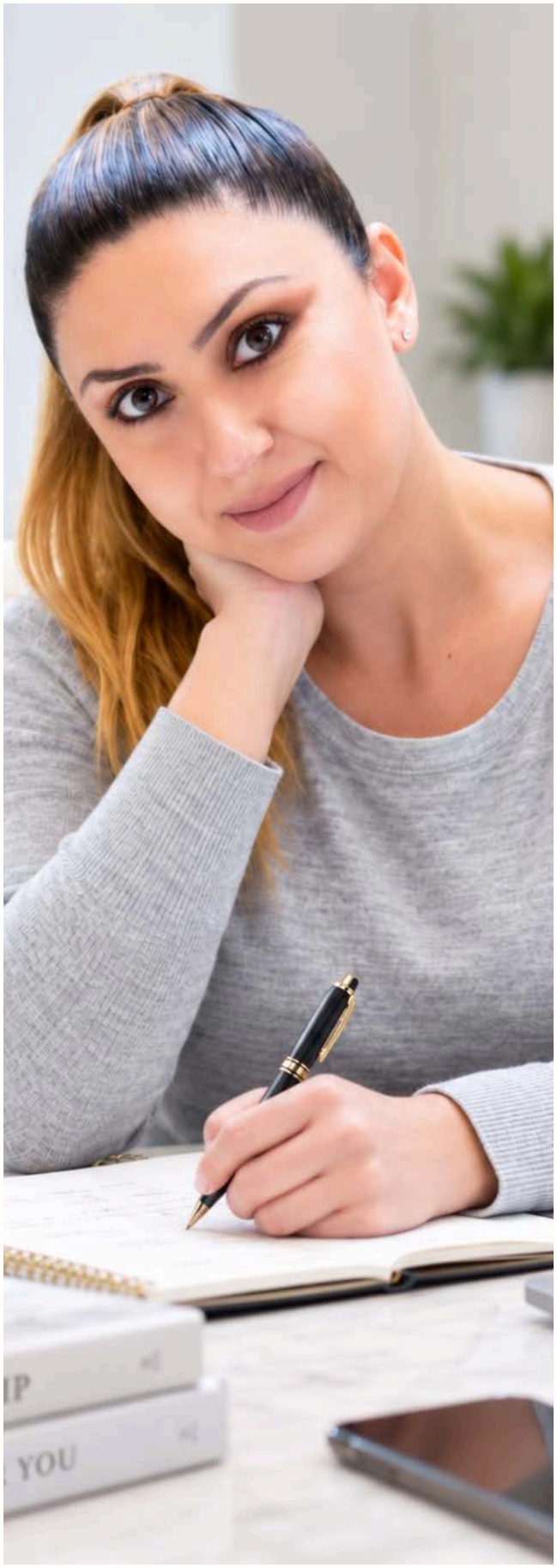


Tracking Your Mileage As A Startup Founder

ALAJIAN GROUP INC.



ALAJIAN GROUP INC.

Hey, it's Armine!

Self-employed and driving as part of running your startup? You might qualify for a tax deduction while you're at it! Unfortunately, it's not as simple as answering a business call on your way to Target and calling it a write-off.

Where you're going, why you're going, and how you document it are all essential to staying on the IRS's good side.

This guide breaks down the difference between personal and business mileage (*it's stricter than you think*), the different ways to calculate your deduction, and how to keep a mileage log your accountant will thank you for!

NOTE: This guide is for educational purposes and is not intended as legal, tax, or financial advice.

2026 MILEAGE RATES

Mid-Year IRS Mileage Update

If you're already tracking your mileage like a pro, I want you to stop and make sure your mileage log is taking this into account before we get too far:

2026 Business Mileage Rates

Jan. 1 - Jun. 30 → 72.5 cents/mile
Effective July 1 → 76 cents/mile

Those rates are super important if you're using the standard mileage method (*more on that later*).

The IRS doesn't always update the rates mid-year, and even though it makes things more confusing, I'm *never* going to complain about a little extra tax savings!

BUSINESS MILEAGE 101

What mileage is tax-deductible?

Mileage Examples

- → Travel between workplaces during a business day
- → Miles driven to visit clients or customers
- → Travel to a business meeting that is not your normal workplace
- → Travel from your qualifying home office to another work location (for the same business)
- → Travel from your home to a **temporary work location** if you also have a regular work location
- → Mileage driven while traveling for business away from **your tax home**

Terms To Know

Temporary work location: an assignment that's expected to last for one year or less. Generally, a location becomes indefinite if the work is expected to last longer than a year.

Tax home: generally the "entire city or general area" where you work; it is not necessarily where your home is.

BUSINESS MILEAGE 101

What mileage isn't deductible?

The short answer: **personal trips!**

Even if you're driving the car you *also* use for your business, if you're driving for personal purposes, that mileage likely isn't deductible.

Some examples of trips or expenses that **do not** count:

- → Travel from your home to your regular place of business or indefinite work location (*aka commuting*)
- → Personal errands or other nonbusiness trips
- → Personal travel during which you make a business call
- → Parking at your regular workplace

IRS MILEAGE METHODS

The Standard Mileage Method

The first of two methods the IRS allows for calculating your mileage deduction is **the standard method.**

Essentially, you'll apply the IRS's business mileage rate (double-check that you're using the correct rate) to your qualifying business miles driven during that period.

If you own your vehicle and you'd like to use the standard method, you need to choose this method in the first year the car is available for use in business. Then, you can switch to the actual expense method in later years. If you lease the car and choose the standard method, you need to use it for the entirety of the lease period.

The safest way to know you're using the correct method? Ask your accountant!

IRS MILEAGE METHODS

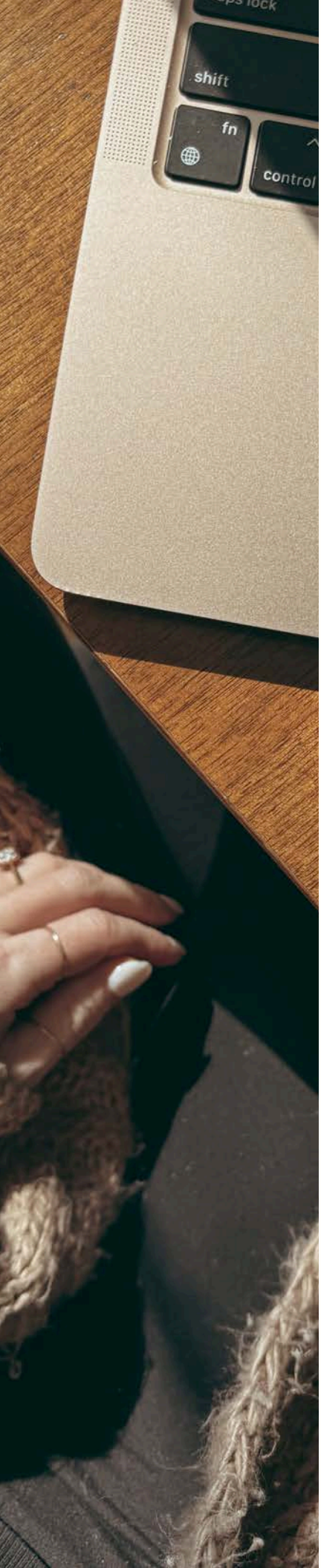
The Actual Expenses Method

The actual expenses method requires more record-keeping because, as the name implies, you're tracking all of your **actual expenses.**

Qualifying expenses can be:

- → Insurance
- → Gas/Fuel
- → Repairs + Maintenance
- → Lease Payments (if you lease)
- → Depreciation (if you own)
- → Vehicle Registration Fees

Tolls and parking fees for business use are separately deductible, regardless of which method you use.



BUSINESS VS. PERSONAL

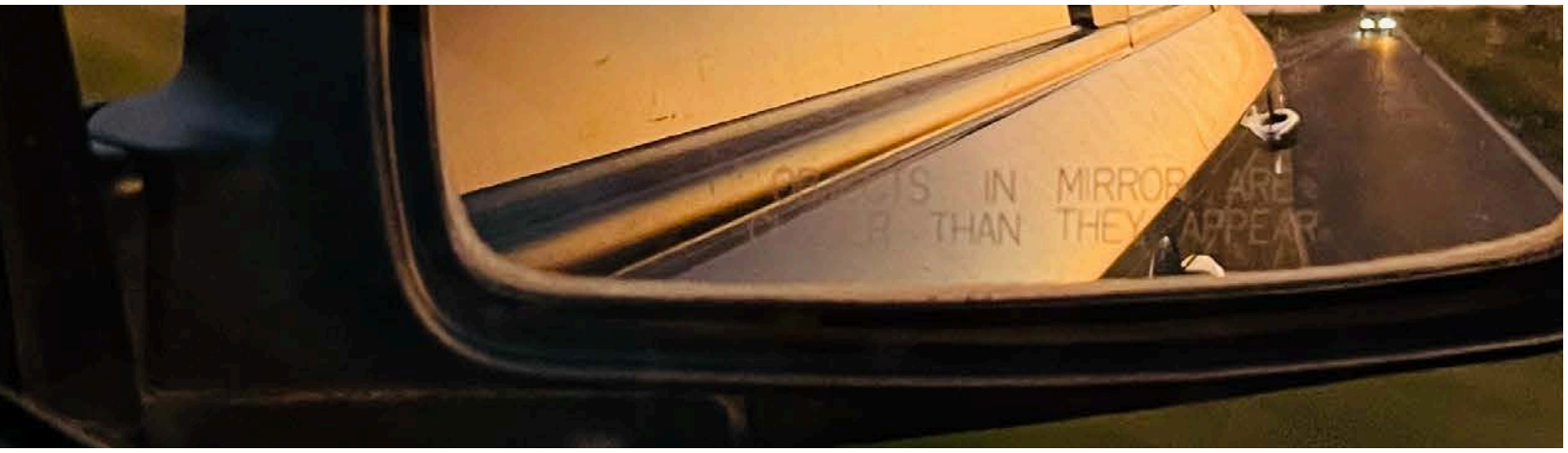
How To Track Mixed-Use Mileage

This is a super common FAQ I get: What if you use the *same* vehicle for your business and to run errands?

If you're using the actual expense method, you'll need to figure out your car's business-use percentage.

Here's how it works in practice:

If you drive 3,000 business miles and 7,000 personal miles, your business-use percentage is 30%. If you had $10,000 in qualifying actual expenses, $3,000 would be your business-use portion before considering any deduction limitations. When you keep a thorough mileage log, this is something your accountant can help you calculate!



KEEPING A MILEAGE LOG

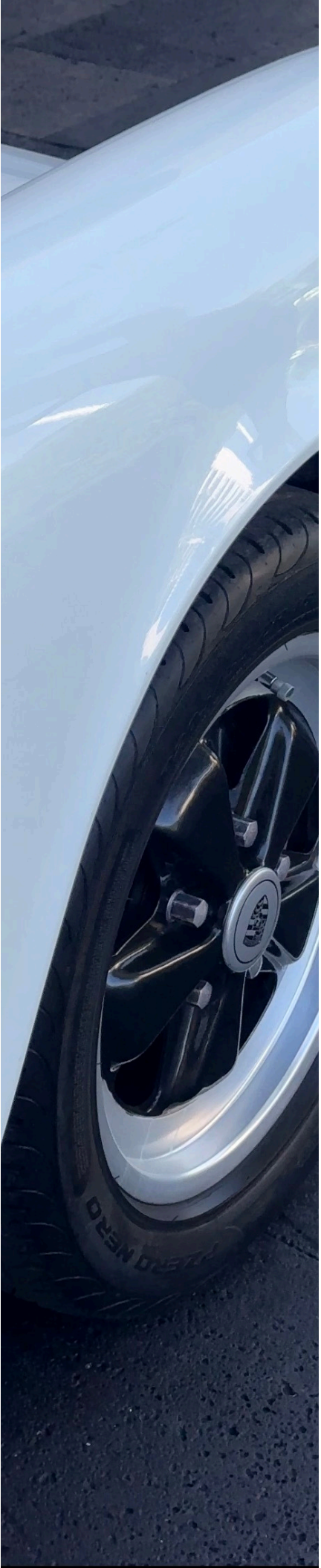
What the IRS wants you to be tracking

The best way to keep the IRS happy when it comes to a mileage log? Keep detailed, contemporaneous records.

Sample Mileage Log

Date	Starting Point	Destination	Business Purpose	Total Mileage
Aug 25	123 Main St.	345 Maple St.	Meeting w/ Client A	18 miles

Pro Tip: You'll also want to record your total annual mileage, so take a photo of your odometer on the first and last day of the year!



MY BEST TIPS TO

Easily Track Your Mileage

Mileage Apps: This is probably my personal favorite because it's so easy! These apps (like MileIQ or Everlance) automatically track your trips via GPS. Then, you can go in, categorize each trip as business or personal, and add in any other details.

Manual Log: For my old school startup founders, a good ol' pen + paper mileage log works just fine. You just need to remember to write down all the details of your trip(s) each day.

Whichever method you choose, make sure you're reviewing it and adding any missed trips each week. The IRS considers a **weekly** log timely kept, so don't stress too much if you don't write down your mileage the second you get into the parking lot!

Let’s Connect!

I’m passionate about helping startup founders understand their numbers, stay organized, and make confident financial decisions through monthly bookkeeping, accounting support, and streamlined financial processes.

WWW.ALAJIANGROUP.COM