SAM JOHNSON THIRD DISTRICT, TEXAS

1211 LONGWORTH HOUSE OFFICE BUILDING WASHINGTON, DC 20515-4303 (202) 225-4201

www.samjohnson.house.gov

2929 NORTH CENTRAL EXPRESSWAY SUITE 240 RICHARDSON, TX 75080 (972) 470-0892

## Congress of the United States House of Representatives Washington, DC 20515-4503

February 27, 2012

The Honorable Douglas H. Shulman Commissioner Internal Revenue Service U.S. Department of the Treasury 1111 Constitution Avenue, NW Washington, DC 20224

Dear Commissioner Shulman:

As a senior member of the Ways and Means Committee, I am writing to request that the IRS increase the 2012 optional standard mileage rates in the event gas prices should hit an all-time record high.

Currently gas prices are at record highs <u>for this time of the year</u> and expectations are growing that gas prices will continue to soar towards and exceed the all-time record high set in 2008 in the coming weeks. As you probably know, back in 2008 when gas prices hit an all-time high of \$4.16<sup>1</sup>, the IRS increased the business mileage rate from 50.5 cents a mile to 58.5 cents a mile for the last six months of the year.

While I am appreciative that the IRS heeded my call last year to increase the mileage rates in order to provide relief from surging gas prices, I strongly believe that it should do so again if prices set a new all-time high. When announcing last June's decision that increased the mileage rate for businesses from 51.0 cents a mile to 55.5 cents a mile you said: "The IRS is adjusting the standard mileage rates to better reflect the recent increase in gas prices."

At the end of the day, taxpayers, especially small businesses, want, need and deserve this commonsense relief should gas prices hit a record high.

I appreciate your consideration of my request, and I look forward to hearing from you.

Sincerely,

SAM JOHNSON Member of Congress COMMITTEES:

WAYS AND MEANS

CHAIRMAN-

SUBCOMMITTEE ON SOCIAL SECURITY

**DEPUTY WHIP** 

JOINT COMMITTEE ON TAXATION

COMMISSIONER:

U.S.-RUSSIAN JOINT COMMISSION ON POW/MIAs

REGENT:

SMITHSONIAN INSTITUTION

<sup>&</sup>lt;sup>1</sup> EIA data for all formulations, all grades of gasoline during the first week of July 2008.