



2025 Schedule M1UE, Unreimbursed Employee Business Expenses

Before you complete this schedule, read the instructions to see if you are eligible.

Your First Name and Initial _____ Last Name _____ Social Security Number _____

Part 1: Your Expenses	Column A	Column B
1 Vehicle expenses from line 20 or line 28 (see instructions if you incurred expenses for more than one vehicle)	1 _____	
2 Parking fees, tolls, and transportation that did not involve overnight travel or commuting from work (see instructions).	2 _____	
3 Travel expenses that did involve overnight travel, including lodging and transportation. Do not include meals	3 _____	
4 Business expenses not included above. Do not include meals	4 _____	
5 Meals (see instructions)	5 _____	
6 Column A: Add lines 1 through 4. Column B: Enter the amount from line 5	6 _____	_____
7 Enter reimbursements from your employer that were not included in box 1 of your federal Form W-2 (see instructions).	7 _____	_____
8 Subtract line 7 from line 6. If zero or less, enter 0	8 _____	_____
9 Column A: Enter the amount from line 8. Column B: Multiply line 8 by 50% (0.50). Employees covered by U.S. Department of Transportation service limits, multiply line 8 by 80% (0.80).	9 _____	_____
10 Add the amounts on line 9 of both columns. Enter the total here and include on line 20 of Schedule M1SA	10 _____	_____

Continued

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Part 2: Vehicle Expenses. If you are claiming expenses for multiple vehicles, complete and enclose a separate Part 2 of Schedule M1UE for each vehicle.

- 11 Enter the date the vehicle was placed in service **11** _____
- 12 Total miles driven during 2025 **12** _____
- 13 Business miles included on line 12 **13** _____
- 14 Divide line 13 by line 12 **14** _____
- 15 Average daily roundtrip commuting distance **15** _____
- 16 Commuting miles included on line 12. **16** _____
- 17 Other miles. Add lines 13 and 16 and subtract the result from line 12 **17** _____
- 18 Was your vehicle available for personal use during off-duty hours? ☐ Yes ☐ No
- 19 Do you (or your spouse) have another vehicle available for personal use? ☐ Yes ☐ No

Standard Mileage Rate (see instructions to determine whether to complete this section or "Actual Expenses")

- 20 Multiply line 13 by 70 cents (.70). Enter the result here and on line 1 **20** _____

Actual Expenses (see instructions to determine whether to complete this section or "Standard Mileage Rate")

- 21 Gasoline, oil, repairs, vehicle, insurance, etc.. **21** _____
- 22a Vehicle rentals **22a** _____
- 22b Inclusion amount (*see instructions*) **22b** _____
- 23 Subtract line 22b from line 22a **23** _____
- 24 Value of employer-provided vehicle (if 100% of the annual lease value was included in federal adjusted gross income). **24** _____
- 25 Add lines 21, 23, and 24. **25** _____
- 26 Multiply line 25 by the percentage on line 14 **26** _____
- 27 Depreciation (*determine from worksheet in the instructions*) **27** _____
- 28 Add lines 26 and 27. Enter the result here and on line 1 **28** _____

2025 Schedule M1UE Instructions

Standard mileage rate. The 2025 rate for business use of your vehicle is 70 cents (0.70) a mile.

Recordkeeping

You cannot deduct expenses for travel (including meals unless you used the standard meal allowance), gifts, or use of a car or other listed property unless you keep records to prove the time, place, business purpose, business relationship (for gifts), and amounts of these expenses. Generally, you must also have receipts for all lodging expenses regardless of the amount.

Should I complete this schedule?

Complete Schedule M1UE to report expenses you did not include on line 12 of federal Schedule 1.

Do not complete Schedule M1UE for expenses claimed on federal Form 2106 if you are any of these:

- A member of the Armed Forces
- A qualifying performing artist
- A fee-basis state or local government official

If you have a disability and claimed impairment-related work expenses on federal Form 2106, complete Schedule M1UE and enter the amount from line 10 of this form on line 24 of Schedule M1SA, *Minnesota Itemized Deductions*. These expenses are not subject to the 2% limit that applies to most other employee business expenses.

Part 1—Enter Your Expenses

Line 1

If you incurred vehicle expenses for more than one vehicle, complete a separate Part 2 of Schedule M1UE for each vehicle. Combine amounts from line 20 or 28 on line 1.

Rural Mail Carriers

If you were a rural mail carrier, you can treat the amount of qualified reimbursement you received as the amount of your allowable expense. Because the qualified reimbursement is treated as paid under an accountable plan, your employer should not include the reimbursement amount in your income.

You were a rural mail carrier if you were an employee of the United States Postal Service (USPS) who performed services involving mail collection and delivery on a rural route.

Qualified reimbursements for rural mail carriers are the amounts paid by the USPS as an equipment maintenance allowance under a collective bargaining agreement between the USPS and the National Rural Letter Carriers' Association, but only if such amounts do not exceed the amount that would have been paid under the 1991 collective bargaining agreement (adjusted for changes in the Consumer Price Index since 1991).

If you were a rural mail carrier and your vehicle expenses were:

- **Less than or equal to your qualified reimbursements**, do not file Schedule M1UE unless you have deductible expenses other than vehicle expenses. If you have deductible expenses other than vehicle expenses, skip line 1 and do not include any qualified reimbursements in column A on line 7.
- **More than your qualified reimbursements**, first complete Part 2 of Schedule M1UE. Enter your total vehicle expenses from line 28 on line 1 and the amount of your qualified reimbursements in column A on line 7.

Line 2

You may not deduct expenses for commuting to and from work. See the line 15 instructions for the definition of commuting.

Line 3

Enter lodging and transportation expenses connected with overnight travel away from your tax home (defined below). Do not include expenses for meals. For details, including limits, see IRS Publication 463.

Tax home. Generally, your tax home is your regular or main place of business or post of duty regardless of where you maintain your family home. If you do not have a regular or main place of business due to the nature of your work, then your tax home may be the place where you regularly live. If you do not have a regular or a main place of business or post of duty and there is no place where you regularly live, you are considered an itinerant (a transient). In this case, your tax home is wherever you work. As an itinerant, you are never away from home and cannot claim a travel expense deduction. For details on the definition of a tax home, see IRS Publication 463.

Generally, you cannot deduct any expenses for travel away from your tax home for any period of temporary employment of more than one year. This one-year rule does not apply for a temporary period in which you were a federal employee certified by the Attorney General (or their designee) as traveling in temporary duty status for the U.S. government to investigate or prosecute a federal crime (or to provide support services for the investigation or prosecution of a federal crime).

Incidental expenses. The term "incidental expenses" means fees and tips given to porters, baggage carriers, hotel staff, and staff on ships.

Incidental expenses do not include:

- Expenses for laundry, cleaning, and pressing of clothing
- Costs of telegrams or telephone calls

- Transportation between places of lodging or business and places where meals are taken
- Mailing costs of filing travel vouchers and paying employer-sponsored charge card bills

You can use an optional method (instead of actual cost) for deducting incidental expenses only. The amount of the deduction is \$5 a day. You can use this method only if you did not pay or incur any meal expenses. You cannot use this method on any day you use the standard meal allowance (defined later in the instructions for line 5).

Line 4

Enter other job-related expenses not listed on any other line of this form. Examples may include expenses for business gifts, education (including tuition, fees, and books), home office, and trade publications. For details, including limits, see IRS Publications 463 and 529.

If you are deducting home office expenses, see IRS Publication 587 for special instructions on how to report these expenses.

Do not include expenses for meals, taxes, or interest on line 4.

Line 5

Enter your allowable meals expense. Include meals while away from your tax home overnight and other business meals.

Standard meal allowance. Instead of actual cost, you may be able to claim the standard meal allowance for your daily meals and incidental expenses (M&IE) while away from your tax home overnight. Under this method, instead of keeping records of your actual meal expenses, you deduct a specified amount depending on where you travel. You must still keep records of the time, place, and business purpose of your travel.

The standard meal allowance is the federal M&IE rate.

You can find the 2025 rates online at www.gsa.gov/perdiem.

Line 7

Enter reimbursements received from your employer (or third party) for expenses shown on lines 1 through 6 that were not included in your adjusted gross income. Include meal reimbursements in Column B. Include other business expense reimbursements in Column A. Include the reimbursements reported under code "L" in box 12 of your Form W-2 on line 7.

If your employer paid you a single amount that covers meals as well as other business expenses, you must allocate the reimbursement so you know how much to enter in Columns A and B of line 7. Use this worksheet to determine the allocation.

Reimbursement Allocation Worksheet for Line 7 (keep for your records)

- 1 Enter the total amounts of reimbursements your employer gave you that were not reported in box 1 of federal Form W-2. _____
- 2 Enter the total amount of your expenses for the periods covered by this reimbursement _____
- 3 Enter the part of step 2 that was your total expense for meals _____
- 4 Divide step 3 by step 2 _____
- 5 Multiply step 1 by step 4. Enter the result here and on line 7, column B _____
- 6 Subtract step 5 from step 1. Enter the result here and on line 7, column A _____

Line 9

Generally, you may deduct only 50% of your business meal expenses, including meals incurred while away from home on business. If you were an employee subject to the U.S. Department of Transportation (DOT) hours of service limits, you may deduct 80% for business meals consumed during, or incident to, any period of duty for which those limits are in effect.

Employees subject to the DOT hours of service limits include:

- Certain air transportation employees, such as pilots, crew, dispatchers, mechanics, and control tower operators
- Interstate truck operators and interstate bus drivers
- Certain railroad employees, such as engineers, conductors, train crews, dispatchers, and control operations personnel
- Certain merchant mariners

Part 2—Vehicle Expenses

There are two methods for figuring vehicle expenses: the standard mileage rate and the actual expense method. You may use the standard mileage rate only if either of these apply:

- You owned the vehicle and used the standard mileage rate for the first year you placed the vehicle in service.
- You leased the vehicle and are using the standard mileage rate for the entire lease period.

You cannot use actual expenses for a leased vehicle if you previously used the standard mileage rate for that vehicle.

If you have the option of using either the standard mileage rate or actual expense method, you should calculate your expenses both ways to find the method most beneficial to you. When completing Schedule M1UE, however, fill in only the sections that apply to the method you choose.

If you were a rural mail carrier and received an equipment maintenance allowance, see the line 1 instructions.

If you are claiming expenses for multiple vehicles used for business during the year, complete and enclose a separate Part 2 of Schedule M1UE for each vehicle.

Line 11

The date placed in service is generally the date you first start using your vehicle. If you first start using your vehicle for personal use and later convert it to business use, the vehicle is treated as placed in service on the date you start using it for business.

Line 12

Enter the total number of miles you drove the vehicle during 2025.

Change from personal to business use. If you changed your vehicle during the year from personal to business use (or vice versa) and you do not have mileage records for the time before the change, enter the total number of miles driven after this change. You must keep a record of miles driven for business.

Lines 13

Do not include commuting miles on these lines; commuting miles are not considered business miles. See the line 15 instructions.

Line 14

Divide line 13 by line 12 to calculate your business use percentage.

Change from personal to business use. If you entered on line 12 the total number of miles driven after the change to business use, multiply the percentage you calculated by the number of months you drove the vehicle for business, then divide the result by 12.

Line 15

Enter your average daily round trip commuting distance. If you went to more than one work location, calculate the average.

Commuting. Generally, commuting is travel between your home and a work location. Travel that meets any of these conditions is not commuting:

- You have at least one regular work location away from your home and the travel is to a temporary work location in the same trade or business, regardless of the distance. Generally, a temporary work location is one where your employment is expected to last a year or less.
- The travel is to a temporary work location outside the metropolitan area where you live and normally work.
- Your home is your principal place of business under Internal Revenue Code, section 280A(c)(1)(A) (for purposes of deducting expenses for business use of your home) and the travel is to another work location in the same trade or business, regardless of distance and whether that location is regular or temporary.

Line 16

If you do not know the total actual miles you used your vehicle for commuting during the year, multiply the number of days during the year that you used the vehicle for commuting by the average daily round trip commuting distance in miles.

Change from personal to business use. If you converted your vehicle from personal to business use (or vice versa), enter your commuting miles only for the period you drove your vehicle for business. You must keep a record of miles driven for business.

Standard Mileage Rate**Line 20**

You may be able to use the standard mileage rate instead of actual expenses to calculate the deductible costs of operating a passenger vehicle, including a van, sport utility vehicle (SUV), pickup, or panel truck.

If you want to use the standard mileage rate for a vehicle you own, you must do so in the first year you place your vehicle in service. In later years, you can deduct actual expenses instead, but you must use straight line depreciation.

If you lease your vehicle, you can use the standard mileage rate, but only if you use the rate for the entire lease period.

Complete and enclose a separate Part 2 of Schedule M1UE for each vehicle you are claiming expenses for.

If you are claiming the standard mileage rate for mileage driven in more than one business activity, you must calculate the deduction for each business on a separate Schedule M1UE for each activity you were an employee.

Actual Expenses**Line 21**

Enter your total annual expenses for gasoline, oil, repairs, insurance, tires, license plates, and similar items. Do not include state and local personal property taxes or interest expense you paid. Deduct state and local personal property taxes on line 6 of Schedule M1SA. Employees cannot deduct car loan interest.

Line 22a

If, during 2025, you rented or leased instead of using your own vehicle, enter the cost of renting. Include the cost of temporary rentals, such as when your car was being repaired, except for amounts you included on line 3.

Line 22b

If you leased a vehicle for a term of 30 days or more, you may have to reduce your deduction for vehicle lease payments by an amount called the inclusion amount.

For tax years beginning in 2019, all vehicles are subject to a single inclusion amount threshold for passenger automobiles leased and put into service. You may have an inclusion amount for a passenger automobile if the lease term began in 2018 through 2025 and the vehicle’s fair market value on the first day of the lease exceeded \$60,000. To determine your inclusion amount, see IRS Publication 463.

Line 24

If, during 2025, your employer provided a vehicle for your business use and included 100% of its annual lease value in box 1 of your federal Form W-2, enter this amount on line 24. If your employer included less than 100% of the annual lease value in box 1, skip line 24.

Line 27

Depreciation of vehicles

Depreciation is an amount you can deduct to recover the cost or other basis of your vehicle over a certain number of years. In some cases, you can elect to expense part of the cost of your vehicle in the year of purchase or claim a special depreciation allowance. For details, see IRS Publication 463.

Worksheet for Line 27 - Depreciation of Vehicles

1

Enter cost or other basis (see instructions).

2

Enter section 179 deduction and special allowance (see instructions).

3

Multiply Step 1 by line 14 (see instructions if you claimed the section 179 deduction or special allowance).

4

Enter the depreciation method and percentage (see instructions).

5

Multiply Step 3 by the percentage on Step 4 (see instructions).

6

Add Steps 2 and 5.

7

Enter the applicable limit explained in the Step 7 instructions.

8

Multiply Step 7 by the percentage on line 14.

9

Enter the smaller of Step 6 or Step 8. If you skipped Steps 7 and 8, enter the amount from Step 6. Enter this amount on line 27 of Schedule M1UE.

Worksheet for Line 27 Instructions

Step 1

Enter the vehicle’s actual cost or other basis. Do not reduce your basis by any prior year’s depreciation. You must reduce your basis by any deductible casualty loss deduction for clean-fuel vehicle, Gas Guzzler Tax, Alternative Motor Vehicle Credit, or qualified Plug-in Electric Vehicle Credit you claimed. Increase your basis by any sales tax paid (unless you deducted sales taxes in the year you purchased your vehicle) and any substantial improvements to your vehicle.

If you traded in your vehicle, your basis is the adjusted basis of the old vehicle (reduced by depreciation calculated as if 100% of the vehicle’s use had been for business purposes) plus any additional amount you pay for the new vehicle. For more information, see IRS Publication 463.

If you converted the vehicle from personal use to business use, your basis for depreciation is the smaller of the vehicle’s adjusted basis or its fair market value on the date of conversion.

Step 2

Enter the amount of any section 179 deduction and any special depreciation allowance claimed for this year.

Section 179 deduction. If 2025 is the first year your vehicle was placed in service and the percentage on line 14 is more than 50%, you can deduct a portion of the cost as an expense (subject to a yearly limit). To calculate this section 179 deduction, multiply the part of the cost of the vehicle that you choose to expense by the percentage on line 14. The total of your depreciation and section 179 deduction generally cannot be more than the percentage on line 14 multiplied by the applicable limit (explained in the Step 7 instructions). Your section 179 deduction for the year cannot be more than the income from your job and any other active trade or business on your federal Form 1040 or 1040-SR.

Limit for sport utility and certain other vehicles. For sport utility and certain other vehicles placed in service in 2025, the portion of the vehicle’s cost taken into account in figuring your section 179 deduction is limited to \$31,300. This rule applies to any 4-wheeled vehicle primarily designed or used to carry passengers over public streets, roads, or highways that is not subject to any of the passenger automobile limits explained in the Step 7 instructions and is rated at no more than 14,000 pounds gross vehicle weight.

The \$31,300 limit does not apply to vehicles equipped with any of these:

- Seating capacity of more than nine persons behind the driver’s seat
- Cargo area of at least six feet in interior length that is an open area, or is designed for use as an open area but is enclosed by a cap and not readily accessible from the passenger compartment
- An internal enclosure, fully enclosing the driver compartment and load carrying device, does not have seating rearward of the driver’s seat, and has no body section protruding more than 30 inches ahead of the windshield’s leading edge

Bonus depreciation (Special depreciation allowance). Bonus depreciation applies only in the first year a vehicle is placed in service. It applies to new vehicles regardless of the date in 2025 it was placed in service. Bonus depreciation is an additional first year depreciation deduction of 100%. Your total section 179 deduction, bonus depreciation, and regular depreciation deduction cannot be more than \$20,200 for passenger automobiles, multiplied by your business use percentage on line 14. See the step 7 instructions for depreciation limits. Use the worksheet to calculate the amount of your special depreciation allowance.

Worksheet for the Special Depreciation Allowance (keep for your records)

1	Enter the amount from Step 1 of the Worksheet for Line 27	_____
2	Multiply step 1 by the percentage on line 14 of Schedule M1UE	_____
3	Enter any section 179 deduction	_____
4	Subtract step 3 from step 2	_____
5	Multiply the limit provided in step 7 of the Worksheet for Line 27 by the percentage on Line 14 of Schedule M1UE ..	_____
6	Subtract step 3 from step 5	_____
7	Enter the smaller of step 4 or step 6. Add the result to any section 179 deduction from step 3 of this worksheet and enter the total on step 2 of the Worksheet for Line 27	_____

Election out. You can elect not to claim the special depreciation allowance for your vehicle. If you make this election, it applies to all property in the same class placed in service during the year. Attach a statement to your timely filed return (including extensions) indicating that you are electing not to claim the special depreciation allowance and the class of property for which you are making the election. For details on the special depreciation allowance, see IRS Publication 463, chapter 4.

Step 3

To calculate the basis for depreciation, multiply Step 1 of the Worksheet for Line 27 by the percentage on line 14. From that result, subtract the total amount of any section 179 deduction and special depreciation allowance claimed this year (see Step 2) or claimed in any prior year for this vehicle.

Step 4

If you used the standard mileage rate in the first year the vehicle was placed in service and now elect to use the actual expense method, you must use the straight line method of depreciation for the vehicle's estimated useful life. Otherwise, use the **Depreciation Method and Percentage Chart** to find the depreciation method and percentage to enter on Step 4.

To use the chart, find the date you placed the vehicle in service (line 11). Then, select the depreciation method and percentage from column (a), (b), or (c). For example, if you placed a car in service on July 1, 2025, and you use the method in column (a), enter "200 DB 20%" on Step 4.

If your vehicle was placed in service:

- **Before 2025:** Use the same method you used on last year's return unless a decline in your business use requires a change to the straight line method.
- **During 2025:** Select the depreciation method and percentage after reading the explanations for each column below.

Column (a)—200% declining balance method. You can use column (a) only if the business use percentage on line 14 is more than 50 %. This method may give you the largest depreciation deduction for the first 3 years (after considering the depreciation limit for your vehicle). See the depreciation limit tables on the next page.

Column (b)—150% declining balance method. You can use column (b) only if the business use percentage on line 14 is more than 50%. This method may give you a smaller depreciation deduction than in column (a) for the first 3 years.

Column (c)—Straight line method. You must use column (c) if the business use percentage on line 14 is 50% or less. The method for these vehicles is the straight line method over five years.

Depreciation Method and Percentage Chart

Date Placed in Service	(a) ¹		(b) ¹		(c)	
Oct. 1 – Dec. 31, 2025	200 DB	5.0 %	150 DB	3.75%	SL	2.5%
Jan. 1 – Sept. 30, 2025	200 DB	20.0	150 DB	15.0	SL	10.0
Oct. 1 – Dec. 31, 2024	200 DB	38.0	150 DB	28.88	SL	20.0
Jan. 1 – Sept. 30, 2024	200 DB	32.0	150 DB	25.5	SL	20.0
Oct. 1 – Dec. 31, 2023	200 DB	22.8	150 DB	20.21	SL	20.0
Jan. 1 – Sept. 30, 2023	200 DB	19.2	150 DB	17.85	SL	20.0
Oct. 1 – Dec. 31, 2022	200 DB	13.68	150 DB	16.4	SL	20.0
Jan. 1 – Sept. 30, 2022	200 DB	11.52	150 DB	16.66	SL	20.0
Oct. 1 – Dec. 31, 2021	200 DB	10.94	150 DB	16.41	SL	20.0
Jan. 1 – Sept. 30, 2021	200 DB	11.52	150 DB	16.66	SL	20.0
Oct. 1 – Dec. 31, 2020	200 DB	9.58	150 DB	14.35	SL	17.5
Jan. 1 – Sept. 30, 2020	200 DB	5.76	150 DB	8.33	SL	10.0

Prior to 2020²

¹You can only use this column if the business use of your car is more than 50%.

²If your car was subject to the maximum limits for depreciation and you have unrecovered basis in the car, you can continue to claim depreciation. See IRS Publication 463 for more information.

Step 5

If you sold or exchanged your vehicle during the year, use these instructions to calculate the amount to enter on Step 5. If your vehicle was placed in service:

- **Before 2014:** Multiply Step 3 by the percentage on Step 4.
- **2014 or later:**
 - **January through September:** Multiply Step 3 by Step 4. Then, multiply this result by 50% (0.50)
 - **October through December:** Multiply Step 3 by Step 4. Then, multiply the result by the percentage shown for your month of disposal.

Month of Disposal	Percentage
Jan., Feb., March	12.5%
April, May, June	37.5%
July, Aug., Sept.	62.5%
Oct., Nov., Dec.	87.5%

Step 7

Using the applicable chart for your type of vehicle, find the date you placed your vehicle in service. Then, enter on Step 7 the corresponding amount from the “Limit” column. Before using the charts, read these definitions.

- A passenger automobile is a four-wheeled vehicle manufactured primarily for use on public roads that is rated at 6,000 pounds unloaded gross vehicle weight or less. Certain vehicles, such as ambulances, hearses, and taxicabs, are not considered passenger automobiles and are not subject to the Step 7 limits. See IRS Publication 463 for details.
- A truck or van is a passenger automobile that is classified by the manufacturer as a truck or van, and that is rated at 6,000 pounds gross vehicle weight or less.

If your vehicle is not subject to any of the Step 7 limits, skip Steps 7 and 8, and enter the amount from Step 6 on Step 9.

Limits for Passenger Automobiles (Including Trucks and Vans) placed in service during 2018 or later	
Date Vehicle Was Placed in Service	Limit
Jan. 1, 2025 – Dec. 31, 2025	\$20,200*
Jan. 1, 2024 – Dec. 31, 2024	19,600
Jan. 1, 2023 – Dec. 31, 2023	11,800
Jan. 1, 2022 – Dec. 31, 2022	7,060

* If you elect not to claim the special depreciation allowance for the vehicle or the vehicle is not qualified property, the limit is \$12,200.