

# IRS approves new 'high-low' per diem rates

The IRS has approved new “high-low” per diem rates for the federal government’s fiscal year 2016 (FY 2016) spanning Oct. 1, 2015, through Sept. 30, 2016. This shortcut can be used for travel reimbursements to employees. (*IRS Notice 2015-63*) For FY 2016, the high-cost area per-diem rate is \$275 (up \$16 from last year), comprised of \$207 for lodging and \$68 for meals and incidental expenses (M&IE). The low-cost area rate is \$185 (up \$13 from last year), consisting of \$128 for lodging and \$57 for M&IE. As usual, there were several modifications to the high-cost areas, but most major metropolitan areas remain on the list.

**Note:** Your firm can continue to use the FY 2015 rates through the rest of this year or you can start using the new higher FY 2016 rates for business travel that occurs after Sept. 30, 2015.