

Hot Topics for Tennessee cities and towns

May 15, 2000

#54

Changes in Federal and State Reimbursement Rates for Travel

Federal Rates

For those cities that elected to reimburse for travel using the federal reimbursement rates, the federal government has increased the vehicle-cents-per-mile reimbursement rate for 2000 to 32.5 cents per mile. This increase became effective Jan. 1, 2000.

In addition to the increase in the mileage reimbursement rate, the standard federal reimbursement rate for lodging increased from \$50 to \$55 per night. The standard federal reimbursement rate for meals and incidentals (M&I) remains \$30 per day. These standard rates apply everywhere in the continental United States except for selected nonstandard locations where higher rates apply. Please see the chart below for those nonstandard locations in Tennessee and the respective lodging and M&I reimbursement rates.

City	County	Lodging (Room Rate Only No taxes included)	M & I	Total
Alcoa	Blount (except Townsend)	\$59	\$30	\$89
Gatlinburg (May 1 - Oct. 31) (Nov. 1 - Apr. 30)	Sevier	\$80	\$38	\$118
Memphis	Shelby	\$70	\$38	\$108
Murfreesboro	Rutherford	\$57	\$30	\$87
Nashville	Davidson	\$72	\$42	\$114
Townsend	City limits only	\$63	\$34	\$97
Williamson County	Williamson County	\$57	\$30	\$87

These per diem rates apply to all locations within or entirely surrounded by the corporate limits of the key city as well as the boundaries of the county, including other municipalities within the county.

Federal reimbursement rates for out-of-state travel vary from state to state. These per diem rates are listed on the Internet at: <http://policyworks.gov/org/main/mt/homepage/mtt/perdiem/perd00d.html>.

State Rates

For those cities that elected to reimburse travel expenses using the state rates, the state announced a temporary increase in the mileage reimbursement rate from 28 cents a mile to 32 cents a mile, which was effective March 1, 2000. This temporary increase is intended to ease the financial burden of official travel due to the steep rise in gasoline prices. This is only a temporary increase, and the rate will return to 28 cents a mile once gasoline prices drop. A complete summary of the current state travel reimbursement rates for all allowable expenses can be found in MTAS' Hot Topic No. 38 issued July 31, 1998.

Please review your city's travel policy to determine the applicable reimbursement rate. If your policy says that the city will reimburse employees and officials based on the federal or state rates, then the increases discussed above apply automatically. If, however, your city's policy establishes specific reimbursement amounts instead of relying on the prevailing federal or state rates, you will need to amend the travel policy if the governing body wishes to increase the mileage reimbursement or per diem rates.

For more information, please contact the MTAS management or finance consultant in your area.

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