



12-8-2003

## Hot Topic: Changes in Federal Reimbursement Rates for Travel

Dick Phebus

*Municipal Technical Advisory Service*

Follow this and additional works at: [https://trace.tennessee.edu/utk\\_mtastop](https://trace.tennessee.edu/utk_mtastop)



Part of the [Public Administration Commons](#)

The MTAS publications provided on this website are archival documents intended for informational purposes only and should not be considered as authoritative. The content contained in these publications may be outdated, and the laws referenced therein may have changed or may not be applicable to your city or circumstances.

For current information, please visit the MTAS website at: [mtas.tennessee.edu](https://mtas.tennessee.edu).

---

### Recommended Citation

Phebus, Dick, "Hot Topic: Changes in Federal Reimbursement Rates for Travel" (2003). *MTAS Publications: Hot Topics*.  
[https://trace.tennessee.edu/utk\\_mtastop/135](https://trace.tennessee.edu/utk_mtastop/135)

This Bulletin is brought to you for free and open access by the Municipal Technical Advisory Service (MTAS) at TRACE: Tennessee Research and Creative Exchange. It has been accepted for inclusion in MTAS Publications: Hot Topics by an authorized administrator of TRACE: Tennessee Research and Creative Exchange. For more information, please contact [trace@utk.edu](mailto:trace@utk.edu).



**December 8, 2003**

**CHANGES IN FEDERAL REIMBURSEMENT RATES FOR TRAVEL**

**Dick Phebus, Finance and Accounting Consultant**

**Federal Rates**

Tennessee cities that elect to reimburse for travel using the federal reimbursement rates should note that the federal government has increased the vehicle-cents-per-mile reimbursement rate for 2004 to 37.5 cents per mile (Rev. Proc. 2003-76). This is an increase of 1.5 cents per mile over the 2003 rate and will become effective January 1, 2004.

Cities may wish to update their travel policies to reflect the new mileage reimbursement rate. Remember that a city can set the mileage rate reimbursement to any amount. Any amount, however, over the IRS standard mileage rate (37.5 cents for 2004) is considered taxable income to the employee or official.

In addition to the increase in the mileage reimbursement rate, other federal rates have changed, as well. The federal reimbursement rates for lodging and for meals and incidental expenses (M&IE) have changed slightly for select cities in Tennessee. These changes are in both the “standard” and “non-standard” rates.

**Standard Rates**

Overall, the standard CONUS (Continental United States) rates for lodging remains at \$55, while the M&IE rate has increased to \$31.

**Non-Standard Rates**

The non-standard rate for M&IE for all cities has increased \$1, and the non-standard lodging rate for Memphis has increased \$6. Additionally, Chattanooga has been added as a non-standard city for lodging and M&IE rates. These changes became effective on October 1, 2003.

The following table reflects the recent changes for locations in Tennessee.

| LOCATION                        | COUNTY                 | LODGING | M&IE  | TOTAL |
|---------------------------------|------------------------|---------|-------|-------|
| Alcoa/Townsend                  | Blount                 | \$ 63   | \$ 35 | \$ 98 |
| Chattanooga                     | Hamilton               | \$ 84   | \$ 31 | \$115 |
| Gatlinburg<br>(May 1 - Oct. 31) | Sevier                 | \$ 78   | \$ 43 | \$121 |
| (Nov. 1 - April 30)             |                        | \$ 70   | \$ 43 | \$113 |
| Memphis                         | Shelby                 | \$ 81   | \$ 43 | \$124 |
| Murfreesboro                    | Rutherford             | \$ 57   | \$ 35 | \$ 92 |
| Nashville                       | Davidson               | \$ 82   | \$ 47 | \$129 |
| Williamson County               | Williamson             | \$ 60   | \$ 35 | \$ 95 |
| Tennessee                       | All other<br>locations | \$ 55   | \$ 31 | \$ 86 |

M&IE reimbursement rates are broken down as shown in the following table for locations in Tennessee.

|             |      |      |      |      |
|-------------|------|------|------|------|
| M&IE        | \$31 | \$35 | \$43 | \$47 |
| Breakfast   | \$ 6 | \$ 7 | \$ 9 | \$ 9 |
| Lunch       | \$ 6 | \$ 7 | \$ 9 | \$11 |
| Dinner      | \$16 | \$18 | \$22 | \$24 |
| Incidentals | \$ 3 | \$ 3 | \$ 3 | \$ 3 |

These federal 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.

A complete listing of federal per diem rates for FY 2004 can be found at <http://policyworks.gov/org/main/mt/homepage/mtt/perdiem/perd04d.html>

### State Rates

For those cities that elect to use the state of Tennessee reimbursement rates, there has been no change from last year. The mileage reimbursement rate remains at 32 cents per mile. The state reimbursement policy also provides for lodging rates and meals and incidentals maximum amounts.

The state travel policy can be found in the *Tennessee Comprehensive Travel Regulations* at <http://www.state.tn.us/finance/act/policy8.pdf>

Please review your city's travel policy to determine the applicable reimbursement rates for lodging and M&IE. If your city's travel policy makes reimbursements based on the state or federal rate, the changes noted above may take effect without any action by your city board. If, however, your city's policy establishes specific reimbursement rates for lodging and meals, you may need to amend the travel policy to reflect the above changes in regard to mileage and other travel expenses.

### For More Information

Contact Dick Phebus, MTAS Finance and Accounting Consultant, or your MTAS management or finance consultant for further assistance on this matter. Visit our Web site at [www.mtas.utk.edu](http://www.mtas.utk.edu) for further information and publications.

---

## MTAS OFFICES

|                               |   |
|-------------------------------|---|
| Knoxville (Headquarters)..... | (865) 974-0411                                  |
| Johnson City.....             | (423) 854-9882      Jackson..... (731) 423-3710 |
| Nashville.....                | (615) 532-6827      Martin..... (731) 587-7057  |

The Municipal Technical Advisory Service (MTAS) is a statewide agency of The University of Tennessee Institute for Public Service. MTAS operates in cooperation with the Tennessee Municipal League to provide technical assistance services to officials of Tennessee's incorporated municipalities. Assistance is offered in areas such as accounting, administration, finance, public works, ordinance codification, and wastewater management.

MTAS *Hot Topics* are information briefs that provide a timely review of current issues of interest to Tennessee municipal officials. *Hot Topics* are free to Tennessee local, state, and federal government officials and are available to others for \$2 each. Photocopying of this publication in small quantities for educational purposes is encouraged. For permission to copy and distribute large quantities, please contact the MTAS Knoxville office at (865) 974-0411.

The University of Tennessee is an EEO/AA/Title VI/Title IX/Section 504/ADA/ADEA institution.  
MTAS0515 • E14-1050-000-127-04