BUSINESS TAXES

IRS’s simplified per diems for lodging, meals and incidentals are going up. In high-cost localities, employees can get up to $284 each day free of tax. In other areas, their daily stipend is capped at %191. Both of these amounts are up $2. Businesses using this method have the choice to use these higher rates as of Oct. 1 or wait until Jan, 2018. Firms can opt instead to use federal per diems separately figured for hundreds of cities.

No change to the rates for meals and incidentals only, staying at $68 per day in high-cost areas and $57 in other locations. Self-employed individuals on travel are allowed to use these rates in lieu of keeping receipts, but their lodging expenses must be substantiated separately. They cannot use the full $284/$191 per diems. The per diem rate solely for incidentals is also unchanged at $5 a day.