

# TRUCKERS Per Diem...Tax Deductions

## \$63.00/ day as of Oct. 1, 2015

Officials with the Internal Revenue Service changed the transportation workers' special standard per diem rate to \$63 starting Oct. 1.

That is an increase from the current \$59 per diem rate. Outside continental U.S is \$68 per day also effective Oct. 1

So that means truckers can declare a \$59 per diem for January through September 2015. The new rate of \$63 for 2016 commences Oct. 1, 2015.

Some truckers are unsure when they can use the "overnight" rule and deduct the per diem amount. In past issues of Land Line Magazine, Howard Abrams of PBS Tax and Bookkeeping Service included the following Q&A on the topic in his "Tax Tips" column.

**Q:** I'm not sure **when I can deduct expenses for meals** and lodging under the "overnight" rule. Is there a general rule of thumb?

**A:** In order to deduct your travel expenses, you, as the taxpayer, must be away from your home residence or tax home longer than what would constitute your ordinary work day. You must be away from your home long enough that you cannot complete the trip without sufficient sleep or rest. The rest period must be long enough to require adequate lodging, such as an overnight stay at a motel or in your truck. A short duration of rest, such as a quick nap at a rest stop, does not qualify your travel expenses as deductions because it does not satisfy the overnight rule. However, it is not necessary that you, as the taxpayer, be away for more than 24 hours in order to meet the overnight rule.

Example: of meeting the overnight rule would be if you were traveling on business and you rent a room to sleep or rest during a layover.

EXAMPLE: of not meeting the overnight rule would be if you were traveling several hundred miles and needed to stop to rest for an hour. If you have no regular place of business and you do not maintain a fixed home, you may not deduct any travel expenses. A trucker who lives in his or her truck during the entire course of the year cannot deduct per diem meals. Abrams also cautioned that truckers could encounter problems related to their expenses and per diem payments, depending on how their carriers handle their business. Per diem payments are subject to income and employment tax if a carrier reimburses a trucker in excess of the federal per diem rate, which is \$63 per day. This is so if the trucker is not being reimbursed for actual expenses.

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- See more at: <http://www.landlinemag.com/Story.aspx?StoryID=29846#.VtrOfYf2ZxB>