

Abstract: The “high-low” per diem method is a simplified way to reimburse employees who travel for your business compared to tracking actual business travel expenses. Here’s a look at the current per diem rates within the continental United States and the rates in certain high-cost locations.

New high-low travel per diem rates

The “high-low” per diem method is a simplified way to reimburse employees who travel for your business compared to tracking actual business travel expenses. For most areas within the continental United States, the per diem rate for October 1, 2025, through September 30, 2026, is \$225 (\$151 for lodging and \$74 for meals and incidental expenses). For “high-cost” locations within the continental United States, the per diem rate is now \$319. That breaks down to \$233 for lodging and \$86 for meals and incidental expenses.

However, certain locations are considered high-cost areas only on a seasonal basis. And the high-cost locations and dates change somewhat from year to year.

Businesses that use per diem rates typically don’t require employees to provide receipts for travel expenses. They must, however, still substantiate the time, place and business purpose of the travel.

Reimbursements made on a per diem basis aren’t generally subject to income or payroll tax withholding. They also aren’t reported on the employee’s Form W-2. Note that per diem rates can’t be paid to individuals who own 10% or more of the business. Contact us for guidance on using the high-low per diem method and to obtain a current list of high-cost areas and dates.