CALTRANS TRAVEL TIP 2003-08
50-MILE RULE TAXATION
(May 16, 2003)

This note has been approved by Cindy McKim, Chief of the Division of Accounting, to be sent to all Caltrans e-mail users by the Travel Policy Section. The Caltrans Travel Tip is intended to communicate the Department's travel policies quickly and efficiently to Caltrans' employees.

As you may know, the Department of Personnel Administration Section 599.616.1 and bargaining unit contracts prohibit employees from claiming lodging, meal, and incidental expenses (per diem) within 50 miles of their headquarters or primary residence without an approved 50-mile rule exception.

The Internal Revenue Service recently ruled that per diem expenses (not personal car mileage) claimed by employees within 50 miles of their headquarters or primary residence is taxable income.

As a result, **effective June 1, 2003**, all per diem expenses claimed by employees with an approved 50-mile rule exception request will be reported to the State Controller's Office as taxable income.

References

Payroll Procedure Manual - Section N 145

For more information on the 50-mile rule or how to submit a 50-mile rule exception, please visit Chapter 6 of the Caltrans Travel and Expense Guide located on the Division of Accounting web-site.

For individuals with sensory disabilities, documents may be obtained in alternative formats. To obtain such services, please e-mail Gilbert Petrissans or Nancy Ledesma. TTY users may also call (711) or 1-800-735-2929.

Happy travels.

Cal T. Rans
Your Partner in Travel