January 4, 2006

Business Affairs Circular 2006-01

MEMORANDUM

TO: Chancellors and Systemwide Administrators

ATTN: Fiscal/Administrative Officers

FROM: Howard Todo

Vice President for Budget and Finance
Chief Financial Officer

SUBJECT: Amendment to the Procedures for Determining Taxability of Per Diem:

2006 Continental U.S. Federal Allowable High/Low Per Diem Rates
2006 Continental U.S. Federal Allowable High/Low Meals and Incidental Rates
2006 Continental U.S. Listing of High-Cost Localities

This Business Affairs Circular (BAC) supersedes BAC 2005-01.

We have been notified by the Federal Department of the Treasury, Internal Revenue Service (IRS) that effective January 1, 2006 the Continental U.S. (CONUS) Federal Allowable High/Low Per Diem rates are $226.00 for high-cost localities or $141.00 for travel to any other locality within CONUS.

The Meals and Incidental Expenses rates for Continental U.S. localities, used in subsistence and excess lodging claim situations, have been changed to $58.00 for high-cost localities and $45.00 for any other locality within CONUS.

The rates for the high-cost localities within the Continental United States (see attachment) has been changed to $184.00 or more for all or part of the calendar year.

The cities are high-cost localities for all of the calendar year or the portion of the calendar year specified in parenthesis under the key city name.

Travel to cities for the period outside of the parenthesis will be considered as low-cost localities.
All other CONUS localities not listed on the high-cost locality listing are considered to be low-cost localities.

The changes to the high/low per diem rates and the amended high-cost localities listing with seasonal periods only for travel during the period specified are to be effective for all CONUS travel incurred effective January 1, 2006 (i.e., If a trip begins before the effective date and extends after the extended date, separate tax calculations are required for the travel expenses incurred in each period based on the applicable rates and listings of high-cost localities).

Should there be any questions, please call the Disbursing Office at 956-6621.

Attachment
## CONUS HIGH-COST LOCALITIES

### Key City

**Arizona**
- Phoenix/Scottsdale  
  (January 1-March 31)

**California**
- Napa
- San Diego
- San Francisco
- Santa Monica

**Colorado**
- Aspen  
  (December 1-March 31)
- Crested Butte/Gunnison  
  (December 1-April 30)
- Silverthorne/Breckenridge  
  (December 1-March 31)
- Steamboat Springs  
  (December 1-March 31)
- Telluride  
  (October 1-April 30)
- Vail  
  (December 1-March 31)

**District of Columbia**
- Washington D.C. (also the cities of Alexandria, Falls Church, and Fairfax, and the counties of Arlington, Loudoun, and Fairfax, in Virginia; and the counties of Montgomery and Prince George’s in Maryland) (See also Maryland and Virginia)

**Florida**
- Key West
- Miami  
  (January 1-April 30)
- Naples  
  (February 1-March 31)
- Palm Beach  
  (February 1-March 31)

**Illinois**
- Chicago  
  (October 1-June 30 and September 1-September 30)

**Louisiana**
- New Orleans  
  (October 1-May 31)

**Maine**
- Bar Harbor  
  (July 1-August 31)

**Maryland**
- (For the counties of Montgomery and Prince George’s, see District of Columbia)
  - Baltimore
  - Cambridge/St. Michaels  
    (June 1-August 31)
  - Baltimore County and Baltimore City
  - Dorchester and Talbot

### County or other defined location

- Maricopa
- Napa
- San Diego
- San Francisco
- City limits of Santa Monica
- Pitkin
- Gunnison
- Summit
- Routt
- San Miguel
- Eagle
- Monroe
- Miami-Dade
- Collier
- Boca Raton, Delray Beach, Jupiter, Palm Beach Gardens, Palm Beach, Palm Beach Shores, Singer Island and West Palm Beach
- Orleans, St. Bernard, Jefferson, and Plaquemine Parishes
- Hancock
## CONUS HIGH-COST LOCALITIES

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<td>New York</td>
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<td>Manhattan</td>
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