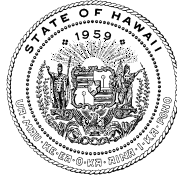


JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA



KEITH A. REGAN
COMPTROLLER
KA LUNA HO'OMALU HANA LAULĀ

MEOH-LENG SILLIMAN
DEPUTY COMPTROLLER
KA HOPE LUNA HO'OMALU HANA LAULĀ

STATE OF HAWAII | KA MOKU'ĀINA O HAWAII
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES | KA 'OIHANA LOIHELU A LAWELAWÉ LAULĀ
P.O. BOX 119, HONOLULU, HAWAII 96810-0119

December 2, 2025

COMPTROLLER'S MEMORANDUM NO. 2025-25

TO: Heads of Departments and Agencies

ATTN: Fiscal Offices

FROM: Keith A. Regan, Comptroller

SUBJECT: Federal Per Diem Rates (CONUS)

In Notice 2025-54, the Internal Revenue Service has updated the federal per diem rates established by Notice 2024-68 for travel within the continental United States (CONUS). These standard rates affect the computation of the taxable portion of the per diem allowances paid to State of Hawaii officers and employees. The information in this memorandum, therefore, needs to be forwarded to the offices in your department responsible for the computation and reporting of the taxable portion of per diem allowances for payroll tax withholding purposes.

The following rates are to be used for computing, under the high-low substantiation method, the taxable portion of per diem for CONUS travel expenses paid or incurred on or after **January 1, 2026**.

	<u>High-Cost Locality</u>	<u>Low-Cost Locality</u>
Lodging	\$233	\$151
Meals and Incidental Expenses	<u>86</u>	<u>74</u>
Total federal rates	<u>\$319</u>	<u>\$225</u>

Attached is a copy of Notice 2025-54 which includes a list of the high-cost localities; all other CONUS localities are considered low-cost localities under the high-low substantiation method.

Should you have any questions on this matter, please contact Alan Visitacion of our Pre-Audit Branch at 586-0650.

Attachment

2025-2026 Special Per Diem Rates

Notice 2025-54

SECTION 1. PURPOSE

This annual notice provides the 2025-2026 special per diem rates for taxpayers to use in substantiating the amount of ordinary and necessary business expenses incurred while traveling away from home, specifically (1) the special transportation industry meal and incidental expenses (M&IE) rates, (2) the rate for the incidental expenses only deduction, and (3) the rates and list of high-cost localities for purposes of the high-low substantiation method.

SECTION 2. BACKGROUND

Rev. Proc. 2019-48, 2019-51 I.R.B. 1392 (or successor), provides rules for using a per diem rate to substantiate, under § 274(d) of the Internal Revenue Code and § 1.274-5 of the Income Tax Regulations, the amount of ordinary and necessary business expenses paid or incurred while traveling away from home. Taxpayers using the rates and list of high-cost localities provided in this notice must comply with Rev.

Proc. 2019-48 (or successor). Notice 2024-68, 2024-41 I.R.B. 729, provides the rates and list of high-cost localities for the period October 1, 2024, to September 30, 2025.

SECTION 3. SPECIAL M&IE RATES FOR TRANSPORTATION INDUSTRY

The special M&IE rates for taxpayers in the transportation industry are \$80 for any locality of travel in the continental United States (CONUS) and \$86 for any locality of travel outside the continental United States (OCONUS). See section 4.04 of Rev. Proc. 2019-48 (or successor).

SECTION 4. RATE FOR INCIDENTAL EXPENSES ONLY DEDUCTION

The rate for any CONUS or OCONUS locality of travel for the incidental expenses only deduction is \$5 per day. See section 4.05 of Rev. Proc. 2019-48 (or successor).

SECTION 5. HIGH-LOW SUBSTANTIATION METHOD

1. Annual high-low rates. For purposes of the high-low substantiation method, the per diem rates in lieu of the rates described in Notice 2024-68 (the per diem substantiation method) are \$319 for travel to any high-cost locality and \$225 for travel to any other locality within CONUS. The amount of the \$319 high rate and \$225 low rate that is treated as paid for meals for purposes of § 274(n) is \$86 for travel to any high-cost locality and \$74 for travel to any other locality within CONUS. See section 5.02 of Rev. Proc. 2019-48 (or successor). The per diem rates in lieu of the rates described in Notice 2024-68 (the meal and incidental expenses only substantiation method) are \$86 for travel to any high-cost locality and \$74 for travel to any other locality within CONUS.

2. High-cost localities. The following localities have a federal per diem rate of \$272 or more, and are high-cost localities for the specified portion of the calendar year:

Key City	County or Other Defined Location	Portion of Calendar Year
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Alabama

Gulf Shores	Baldwin	June 1 – July 31
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Arizona

Phoenix/ Scottsdale	Maricopa	February 1 – March 31
Sedona	City limits of Sedona	October 1 – December 31 and March 1 – September 30

California

Los Angeles	Los Angeles, Orange, and Ventura, and Edwards AFB, less the city of Santa Monica	October 1 – September 30
Mammoth Lakes	Mono	December 1 – March 31
Monterey	Monterey	October 1 – September 30
Napa	Napa	October 1 – November 30 and February 1 – September 30
Palm Springs	Riverside	October 1 – April 30
San Diego	San Diego	October 1 – September 30
San Francisco	San Francisco	October 1 – September 30
San Luis Obispo	San Luis Obispo	June 1 – July 31
Santa Barbara	Santa Barbara	October 1 – September 30
Santa Monica	City limits of Santa Monica	October 1 – September 30
South Lake Tahoe	El Dorado	December 1 – March 31
Sunnyvale/ Palo Alto/San Jose	Santa Clara	October 1 – September 30
Yosemite National Park	Mariposa	January 1 – April 30

Colorado

Aspen	Pitkin	October 1 – September 30
Denver/Aurora	Denver, Adams, Arapahoe, and Jefferson	October 1 – October 31 and April 1 – September 30
Silverthorne/ Breckenridge	Summit	December 1 – March 31
Steamboat Springs	Routt	December 1 – March 31
Telluride	San Miguel	October 1 – September 30
Vail	Eagle	October 1 – September 30

Delaware

Lewes	Sussex	June 1 – August 31
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Key City	County or Other Defined Location	Portion of Calendar Year
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District of Columbia

Washington, D.C. (also the cities of Alexandria, Falls Church, and Fairfax, and the counties of Arlington and Fairfax, in Virginia; and the counties of Montgomery and Prince George's in Maryland) (See also Maryland and Virginia)	October 1 – September 30
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Florida

Boca Raton/Delray Beach/Jupiter	Palm Beach and Hendry	January 1 – April 30
Bradenton	Manatee	February 1 – March 31
Cocoa Beach	Brevard	February 1 – March 31
Fort Lauderdale	Broward	January 1 – April 30
Fort Myers	Lee	January 1 – March 31
Fort Walton Beach/DeFuniak Springs	Okaloosa and Walton	June 1 – July 31
Gulf Breeze	Santa Rosa	June 1 – July 31
Key West	Monroe	October 1 – September 30
Miami	Miami-Dade	December 1 – May 31
Naples	Collier	December 1 – April 30
Panama City	Bay	June 1 – July 31
Sarasota	Sarasota	February 1 – April 30
Sebring	Highlands	February 1 – March 31
Stuart	Martin	February 1 – March 31
Tampa/St. Petersburg	Pinellas and Hillsborough	February 1 – April 30
Vero Beach	Indian River	December 1 – April 30

Georgia

Atlanta	Fulton and DeKalb	January 1 – March 31
Jekyll Island/Brunswick	Glynn	March 1 – July 31

Idaho

Boise	Ada	October 1 – October 31 and June 1 – September 30
Coeur d'Alene	Kootenai	June 1 – August 31
Sun Valley/Ketchum	Blaine and Elmore	December 31 – March 31 and June 1 – September 30

Key City	County or Other Defined Location	Portion of Calendar Year
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Illinois

Chicago	Cook and Lake	October 1 – November 30 and April 1 – September 30
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Maine

Bar Harbor/ Rockport	Hancock and Knox	October 1 – October 31 and May 1 – September 30
Kennebunk/Kittery/ Sanford	York	July 1 – August 31
Portland	Cumberland and Sagadahoc	October 1 – October 31 and June 1 – September 30

Maryland

Ocean City	Worcester	June 1 – August 31
Washington, D.C. Metropolitan Area	Montgomery and Prince George's	October 1 – September 30

Massachusetts

Boston/Cambridge	Suffolk and city of Cambridge	October 1 – September 30
Falmouth	City limits of Falmouth	July 1 – August 31
Hyannis	Barnstable less the city of Falmouth	July 1 – August 31
Martha's Vineyard	Dukes	October 1 – September 30
Nantucket	Nantucket	June 1 – September 30

Michigan

Mackinac Island	Mackinac	July 1 – August 31
Petoskey	Emmet	June 1 – August 31
Traverse City	Grand Traverse	July 1 – August 31

Minnesota

Duluth	St. Louis	October 1 – October 31 and June 1 – September 30
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Montana

Big Sky/ West Yellowstone/ Gardiner	Gallatin and Park	June 1 – September 30
Kalispell/Whitefish	Flathead	July 1 – September 30

Key City	County or Other Defined Location	Portion of Calendar Year
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New Jersey

Toms River	Ocean	July 1 – August 31
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New York

Glens Falls	Warren	July 1 – August 31
Lake Placid	Essex	July 1 – August 31
New York City	Bronx, Kings, New York, Queens, and Richmond	October 1 – December 31 and March 1 – September 30
Saratoga Springs/Schenectady	Saratoga and Schenectady	July 1 – August 31

North Carolina

Kill Devil Hills	Dare	June 1 – August 31
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Oregon

Bend	Deschutes	June 1 – August 31
Eugene/Florence	Lane	June 1 – July 31
Seaside	Clatsop	July 1 – August 31

Pennsylvania

Hershey	Hershey	June 1 – August 31
Philadelphia	Philadelphia	October 1 – November 30 and April 1 – September 30

Rhode Island

Jamestown/Middletown/Newport	Newport	October 1 – October 31 and June 1 – September 30
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South Carolina

Charleston	Charleston, Berkeley, and Dorchester	October 1 – September 30
Hilton Head	Beaufort	March 1 – August 31

Tennessee

Nashville	Davidson	October 1 – September 30
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Utah

Moab	Grand	October 1 – October 31, March 1 – June 30, and September 1 – September 30
Park City	Summit	October 1 – September 30

Key City	County or Other Defined Location	Portion of Calendar Year
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Vermont

Burlington	Chittenden	October 1 – October 31 and May 1 – September 30
Manchester	Bennington	October 1 – October 31 and August 1 – September 30
Montpelier	Washington	October 1 – October 31 and August 1 – September 30

Virginia

Virginia Beach	City of Virginia Beach	June 1 – August 31
Wallops Island	Accomack	July 1 – August 31
Washington, D.C. Metropolitan Area	Cities of Alexandria, Falls Church, and Fairfax; counties of Arlington and Fairfax	October 1 – September 30

Washington

Port Angeles/ Port Townsend	Clallam and Jefferson	July 1 – August 31
Seattle	King	October 1 – September 30

Wyoming

Jackson/Pinedale	Teton and Sublette	October 1 – September 30
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3. Changes in high-cost localities. There are no changes in the list of high-cost localities in this notice from the list of high-cost localities in section 5 of Notice 2024-68.

SECTION 6. EFFECTIVE DATE

This notice is effective for per diem allowances for lodging, meal and incidental expenses, or for meal and incidental expenses only, that are paid to any employee on or after October 1, 2025, for travel away from home on or after October 1, 2025. For purposes of computing the amount allowable as a deduction for travel away from home, this notice is effective for meal and incidental expenses or for incidental expenses only paid or incurred on or after October 1, 2025. See sections 4.06 and 5.04 of Rev. Proc. 2019-48 (or successor) for transition rules for the last 3 months of calendar year 2025.

SECTION 7. EFFECT ON OTHER DOCUMENTS

Notice 2024-68 is superseded.

DRAFTING INFORMATION

The principal author of this notice is C. Dylan Durham of the Office of Associate Chief Counsel (Income Tax & Accounting). For further information regarding this notice, contact Mr. Durham at 202-317-7005 (not a toll-free call).