

FEDERAL AVIATION ADMINISTRATION TRAVEL POLICY
AMENDMENT 2

TO: Associate Administrators, Assistant Administrators, Chief Counsel, and Staff Offices

SUBJECT: Federal Aviation Administration Travel Policy (FAATP); Revisions to the Method of Paying Subsistence Expenses.

1. **What is the purpose of this document?** This amendment transmits revisions to the 1998 Edition of the Federal Aviation Administration Travel Policy (FAATP) to reflect changes to the method in the Federal Travel Regulation (FTR) of paying subsistence expenses for travel within the continental United States (CONUS).
2. **When are these revisions effective?** The revisions are effective January 1, 1999.
3. **Who should we contact for further information?** Sandra Cavanaugh, (202) 267-9595.
4. **Background.** On December 2, 1998, the General Services Administration issued FTR Amendment 75 which modified the method in which subsistence expenses are paid. Previously, GSA issued CONUS per diem rates for which included a component for taxes in the maximum lodging amount. FTR Amendment 75 issues new CONUS per diem rates, which do not include a component for State and local lodging taxes in the maximum lodging amount. FTR Amendment 75 further authorizes separate reimbursement for State and local lodging taxes. The amendment requires that the reimbursement of State and local lodging taxes must be prorated based on the reimbursable lodging cost over the total lodging cost. FAA has agreed to adopt the FTR as the base document. This amendment modifies the Federal Aviation Administration Travel Policy (FAATP) to reflect FTR amendment 75.
5. **What are the revisions in this document?** This document amends the FAATP as follows:
 - a. Section 301-11.5 is amended by revising paragraph (a), by redesignating old paragraphs (b) and (c) as new paragraphs (c) and (d) respectively, and by adding new paragraph (b) to read as follows:

§ 301-11.5	What types of expenses does the allowance for subsistence expenses cover?	*	*	*	*	*	*
		(a) Allowable lodging costs as provided in §§ 301-11.40 through 301-11.56 of this part, including service charges;					
		(b) State and local lodging taxes;					
		*	*	*	*	*	*

b. Section 301-11.54 is revised to read as follows:

§ 301-11.54	Are State and local taxes on lodging charged on travel within CONUS an “allowable lodging cost”?	No. However, they are separately reimbursable if your subsistence expenses are paid using the lodgings plus per diem method authorized under subpart B of this part or if your subsistence expenses are paid using an ASEA under part D of this chapter. If you are paid a fixed rate per diem under part C of this chapter, the fixed amount includes reimbursement for State and local lodging taxes, and therefore, you will not receive separate reimbursement.
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c. Old § 301-11.55 is redesignated as new § 301-11.56, and new § 301-11.55 is added to read as follows:

§ 301-11.55	Are taxes on lodging charged on travel outside CONUS an “allowable lodging cost”?	Yes. The State Department and Department of Defense include the cost of lodging taxes in determining the applicable per diem rate. Therefore, they are not separately reimbursed. If your subsistence expenses are paid using the lodgings plus per diem method authorized under subpart B of this part, FAA will reimburse your actual lodging cost including lodging taxes, not to exceed the maximum lodging amount as prescribed in subpart B of this part. If your subsistence expenses are paid using an ASEA authorized under subpart D of this part, FAA will reimburse your actual lodging cost including taxes, meals, and incidental expenses, not to exceed the maximum lodging amount as prescribed in subpart D of this part. If you are paid a fixed rate per diem under part C of this chapter, the fixed amount includes reimbursement for lodging taxes, and therefore, you will not receive separate reimbursement
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d. Old § 301-11.56 is redesignated as new § 301-11.58, and new § 301-11.57 is added to read as follows:

§ 301-11.57	Must I obtain an exemption for State and local taxes if one is available?	Yes.
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e. Section 301-11.101 is revised to read as follows:

§ 301-11.101	Will FAA pay me an amount for State and local taxes in addition to my lodging costs?
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If your travel is to a temporary duty site...	Then
Within CONUS,	Yes. FAA will pay your State and local lodging taxes separately from your allowable lodging costs. There is no dollar limit on State and local lodging taxes, however, FAA will only pay the amount of taxes that relates to reimbursable allowable lodging costs. FAA will not pay State and local taxes related to allowable lodging costs in excess of the maximum allowable amount. FAA will prorate State and local taxes based on the ratio of the reimbursable allowable lodging cost over the total lodging cost.

Outside CONUS,

No. You should ask about taxes when placing your reservation. FAA will not pay you an additional amount or authorize ASEA for lodging taxes.

f. Section 301-11.302 is revised to read as follows:

§ 301-11.302

What will FAA pay me under the ASEA?

FAA will pay:

- (a) Your actual lodging, meal, and incidental expenses not to exceed the “maximum daily amount”; and
- (b) When you travel within CONUS, your State and local lodging taxes regardless of amount. FAA, however, will only pay the amount of taxes that relates to reimbursable allowable lodging costs. FAA will not pay State and local taxes related to allowable lodging costs in excess of the maximum daily amount. FAA will prorate State and local taxes based on the ratio of the reimbursable allowable lodging cost over the total lodging cost.

6. **Why did we make the revisions in this document?** As follows:

- a. Section 301-11.5 is amended to remove State and local lodging taxes from the definition of lodging costs for travel within CONUS, and to add them as a separate item. This revision is intended to clarify that State and local lodging taxes for travel within CONUS are a separately reimbursable item.
- b. Section 301-11.54. is amended to clarify that State and local taxes for travel within CONUS are not reimbursable as an allowable lodging cost, however, are separately reimbursable if the employee is paid using the lodgings-plus per diem method or ASEA.
- c. Section 301-11.55. is added to clarify that lodging taxes for travel outside CONUS continue to be reimbursable as an allowable lodging cost, and therefore, are not separately reimbursable if the employee is paid using the lodgings-plus per diem method or ASEA.
- d. Employees have a duty to incur only such travel costs as are necessary under the prudent person rule contained in FAATP § 301-2.3. Under this policy, employees were expected to reduce Government travel costs by obtaining a State and local lodging tax exemption whenever possible. Section 301-11.56 is added to reiterate the current policy that employees have an affirmative duty to reduce FAA travel costs by obtaining State and local tax exemptions.
- e. Section 301-11.101 is revised to clarify that State and local lodging taxes for travel outside CONUS are not separately reimbursable when an employee’s subsistence expenses are paid using the lodgings plus per diem method. The section also implements the

FTR requirement that FAA will reimburse only those taxes which relate to reimbursable expenses. Section 301-11.101 retains the existing policy for reimbursement of lodging taxes for travel outside CONUS.

- f. Section 301-11.302 is revised to reflect the FTR policy that State and local lodging taxes for travel within CONUS are separately reimbursable when an employee's subsistence expenses are paid using an ASEA. Section 301-11.302 also clarifies that State and local lodging taxes are not separately reimbursable for travel outside CONUS when an employee's subsistence expenses are paid using an ASEA. The section also implements the FTR requirement that FAA will reimburse only those taxes which relate to reimbursable expenses.



CARL B. SCHELLENBERG

Assistant Administrator for
Financial Services/
Chief Financial Officer