

# Meal Reimbursements

## Meals While Traveling

Employers often reimburse employees for meals while traveling away from home overnight. The taxability of these reimbursements or allowances depends on whether the meals are connected to the business travel and whether the expenses are substantiated.

Reimbursements or allowances must meet the accountable plan rules in order to be excludable. In order for travel meal reimbursements to be excludable from wages, employees must be traveling away from their tax home on their employer's business. As with other travel-related expenses, the general area of work, not the employees' residence, determines the tax home.

Traveling "away from home" means:

- The employee must be traveling away from the general area of the tax home substantially longer than an ordinary day's work, and
- The employee needs to obtain substantial sleep or rest to meet the demands of the work while away from home. *IRC §162(a)(2); RR 75-170; RR 75-432*

## Meals Away From Tax Home But Not Overnight

Generally, these meals are taxable as wages to the employee because travel must be away from home overnight to be excludable.

Example: An employee is required to travel out of town to work for the day. The employer agrees to pay for the employee's meals while away. The employee leaves home at 7:00 a.m. and returns home at 9:00 p.m. Before the employee returns in the evening, the employee takes a nap in his car for an hour.

Although the employee is away from his tax home for substantially longer than a normal work day and even stops for rest, the rest is not considered to be substantial. The employee is not considered to be away from home overnight. Any meal money that the employee receives is taxable as wages.

Enter reportables code **WMR** on the employee payline for same day travel meal reimbursements.

Helpful Links:

[IRS Publication 5137](#)

[IRS Publication 463 \(2020\)](#) *(as of this document creation, the 2021 version has not been published)*