



Per Diem Tax Deduction Tips for Truck Drivers in 2026

Per Diem (per day) is one of your largest tax deductions as an owner-operator, but what is it exactly? The Per Diem deduction is a tax deduction that the Internal Revenue Service (IRS) allows to substantiate ordinary and necessary business meals and incidental expenses paid or incurred while traveling for business while away from home. In this article, we address the specific rules around using this significant tax deduction.

As a result of the Tax Cuts and Jobs Act, W-2 employees, sometimes referred to as company drivers, are no longer eligible to claim the Per Diem deduction.

The IRS allows contractors and self-employed transportation workers, subject to the hours of service regulations, to deduct their meal expenses while traveling for business. The Per Diem rate is set by the IRS. **The Per Diem rate, effective October 1, 2024, is \$80 per full day and \$60 per partial day in the Continental United States.** You may see the deduction amount quoted as \$64 per full day and \$48 per partial day. That is because the IRS only allows you to deduct 80% of the Per Diem rate. Non-CDL riders who are performing other duties (bookkeeping, dispatching, assisting with loading, and unloading) may deduct 50% of the \$80 rate which comes out to \$40 per full day.

For travel outside the Continental United States, the Per Diem rate effective October 1, 2024, is \$86 per full day and \$64.50 per partial day. You may see the amount of the deduction quoted as \$68.80 per full day and \$51.60 per partial day. Non-CDL riders who are performing other duties (bookkeeping, dispatching, assisting loading, and unloading) may deduct 50% of the \$86 rate, which comes out to \$43 per full day.

If you need help calculating your Per Diem deduction and filing your taxes, [please click here.](#)

In order to qualify for these deductions, IRS Publication 463 states that you are traveling from home if:

1. Your duties require you to be away from the general area of your tax home substantially longer than an ordinary day's work, **AND**
2. You need to sleep or rest to meet the demands of your work while away from home.

It further states that taking a nap does not satisfy the requirement. However, "you do not need to be away from home for a whole day, as long as your relief from duty is long enough to get necessary sleep or rest."



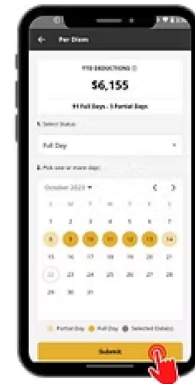
What does this mean to a driver? If you are an owner-operator, the rule is simple: you get to claim the tax deduction for each day that you are away from your “tax home.” On the days that you depart and the days that you arrive at home, you must claim a partial day allowance instead of a full day allowance. The partial day allowance is 75% of the full day allowance.

Things become a little more complicated if you are a local driver. Local and regional drivers are frequently away from their home much longer than an average eight-hour workday. Therefore, fulfilling the first part of the requirements is simple. However, notice the “AND” between the two requirements? This means that you must meet both conditions in order to claim the deduction. Another way to think of it is, **drivers who start and end a trip at home on the same Department of Transportation (DOT) Hours of Service (HOS) work day cannot claim Per Diem.**

Easily keep track of your days away from home with the ATBS Per Diem Tracker!

Furthermore, IRS Publication 463 states that you must have a “tax home”. There are three tests to determine your tax home. In order to meet the requirements, you must satisfy at least two of the three following items:

1. You perform part of your business in the area of your main home and use that home for lodging while doing business in the area.
2. You have living expenses at your main home that you duplicate because your business requires you to be away from that home.
3. You have not abandoned the area in which both your historical place of lodging and your claimed main home are located; you have a member or members of your family living at your main home; or you often use that home for lodging.



So what does this all mean? In a nutshell:

- You must be away from home for 'substantially longer than a normal work day', per the IRS.
- You must have a home from which to be away.
- If you meet both requirements above, for any days on or after October 1, 2024, you can deduct \$64 for each full day away from home as a driver and \$40 as a ride-along that assists in business functions. You can deduct \$48 per partial day as a driver.

At ATBS, we believe that a good way to track is by using the ATBS Hub. That way you can determine exactly how many full and partial days you have to report to your tax preparer. In order to substantiate your Per Diem, you may need to provide DOT electronic logging device information with time, date, and location. It is good practice to keep all documentation for this Per Diem deduction for at least three years.

If you have any questions on Per Diem, please contact ATBS by [clicking here](#) or giving us a call at 866-920-2827.

