

Meals & Entertainment Deductions Before and After the Tax Cuts and Jobs Act

	<u>Amounts Paid/Incurred before 1/1/18</u>	<u>Amounts Paid/Incurred after 12/31/17</u>
<p><u>Entertainment Expenses</u> Sporting event tickets, night club expenses, theater tickets, country club expenses and other purely entertainment related charges directly related to the taxpayer's business</p>	50% deductible	Nondeductible
<p><u>Business Meals with Clients and Prospects</u> Meals (no entertainment included) furnished for a client or prospective client, as long as the expense is directly related to or associated with the active conduct of the taxpayer's trade or business</p>	50% deductible	50% deductible
<p><u>Employee Meals During Travel</u> Meals that are ordinary and necessary while employee is traveling on business</p>	50% deductible	50% deductible
<p><u>Recreational Expenses for Employees</u> The cost to an employer for events such as holiday parties, annual picnics and other company events</p>	100% deductible	100% deductible
<p><u>Expense Treated As Compensation</u> Meals and entertainment treated by the taxpayer as compensation paid to an employee, such as an employee awarded an expense-paid vacation included in the employee's wages</p>	100% deductible	100% deductible

	<u>Amounts Paid/Incurred before 1/1/18</u>	<u>Amounts Paid/Incurred after 12/31/17</u>
<u>Reimbursed Expenses</u> Meal reimbursements paid to employees while traveling on business under an accountable plan	50% deductible	50% deductible
<u>De Minimis Food & Beverage for Employees</u> Such as coffee, water, snacks provided by the employer on the premises	100% deductible	50% deductible though 2025; nondeductible after 2025
<u>Food & Beverage for Employees for the Convenience of the Employer</u> Such as meals provided by the employer for employees working overtime.	100% deductible	50% deductible though 2025; nondeductible after 2025
<u>Employee, Stockholder, etc. Business Meetings</u> Expenses incurred by a taxpayer which are directly related to meetings with employees, owners, agents, directors, etc.	50% deductible	50% deductible
<u>Membership Dues</u> Amounts incurred for membership in any club organized for business, pleasure, recreation or other social purpose	Nondeductible	Nondeductible
Meal expenses incurred at a club, if directly related to the taxpayer's trade or business	50% deductible	50% deductible