



## MEALS & ENTERTAINMENT

### Quick Reference Guide

	Pre-2018 Rules	New Rules	Examples
<b>Food &amp; Beverages</b>			
Business meals, including client meetings and internal meetings.	50% Deductible	50% Deductible	
Employee travel meals.	50% Deductible	50% Deductible	Meals away from home during business travel.
Business meeting meals of employees, shareholders, directors or business colleagues.	50% Deductible	50% Deductible	Shareholder meetings; community meetings.
Meals reimbursed by client--to the extent the payer substantiates the expenses to the client as required by Section 274(d).	100% Deductible	100% Deductible	Meals and entertainment billed to the client providing sufficient detail for the client to limit their own deduction.
"De minimis" fringe meals excluded from the employee's income or meals provided for the convenience of the employer [nondeductible starting in 2026].	100% Deductible	50% Deductible	Break room food and beverages; food provided during meetings; occasional business meals; overtime meals.
Meals provided on or near the business premises in an employer-operated eating facility [nondeductible starting in 2026].	100% Deductible	50% Deductible	Employer-provided cafeteria meals at little or no cost.
<b>Entertainment</b>			
Client, referral, and other business entertainment [assumes amount is not billed to client with sufficient substantiation required under Section 274(d)].	50% Deductible	Nondeductible	Client's golfing event; networking sporting events.
Club Dues	Nondeductible	Nondeductible	Country Clubs
Entertainment provided at business meetings for employees, shareholders, directors or business colleagues (exception: does not apply to meals).	100% Deductible	100% Deductible	

	<u>Pre-2018 Rules</u>	<u>New Rules</u>	<u>Examples</u>
<b>Combined Meals &amp; Entertainment</b>			
Employee meals and entertainment for recreational, social and similar events [assuming highly compensated non-discrimination rules are met].	100% Deductible	100% Deductible	Holiday parties; summer office parties; team-building activities.
Food, beverages and facilities that are available to the public.	100% Deductible	100% Deductible	Building lobby snack/beverage kiosk; expo booth snacks; public events.
Meals and/or entertainment included in employee income as compensation.	100% Deductible	100% Deductible	
Lavish or extravagant expenses.	Nondeductible	Nondeductible	
Personal (non-business) expenses.	Nondeductible	Nondeductible	
<b>Gifts</b>			
Business gifts less than \$25 (per tax year/ per recipient).	100% Deductible	100% Deductible	Gift cards, flowers, etc. less than \$25.00
Business gifts greater than \$25 (unless included in income of recipient).	Nondeductible	Nondeductible	