

New Rules for Meals and Entertainment Expenses under the TCJA (Tax Cuts and Jobs Act)

Type of Expense	Deductible for 2018 and forward			Code sections
	100%	50%	0%	
Meals with clients, prospects, referral sources (directly related or associated with the active conduct of the taxpayer's trade or business)		✓		§162; §274(k); §274(n)(1); Notice 2018-76
Meals with clients, prospects, referral sources (in conjunction with entertainment and not directly related to a business meeting)			✓	§274(a)(1)
Meals with clients, prospects, referral sources at the entertainment, amusement or recreation facility (directly related or associated with the active conduct of the taxpayer's trade or business) separately stated on the invoice and/or purchased separately		✓		§162; §274(k); §274(n)(1); Notice 2018-76
Meals with clients, prospects, referral sources at the entertainment, amusement or recreation facility (directly related or associated with the active conduct of the taxpayer's trade or business) not separately stated and not purchased separately			✓	§274(a)(1)
Employee meals for the convenience of employer (on site)		✓*		§274(n)(2)(B); §274(o)(2)
Employee meals if taxpayer's business activity is food service (restaurant)	✓			§274(e)(8)
Food and beverages in the office for clients and employees (available to the public) (<i>i.e. candy bowl, bagels, donuts, coffee and water cooler</i>)	✓			§274(e)(7)
Food and beverages in the office for employees (bagels, donuts, coffee, water and snacks)		✓*		§274(n)(2)(B); §274(o)(1)
Year-end outing/party for employees and spouses	✓			§274(e)(4); §274(n)(2)(A)
* nondeductible after 2025	<i>Continued on other side ></i>			

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Type of Expense	Deductible for 2018 and forward			Code sections
	100%	50%	0%	
Golf outing for all employees and spouses	✓			§274(e){4}; §274(n)(2)(A)
Meals for General Public at Marketing Presentation	✓			§274(e){4}; §274(n)(2)(A)
Team-building event for all employees	✓			§274(e){4}; §274(n)(2)(A)
Football game with top referral sources or clients			✓	§274(a)(1)
Golfing Charity event – golf portion			✓	§274(a)(1)
Golfing Charity event – meal portion (if separately stated)		✓		
Golfing Charity event – cost associated with charitable contribution	✓			§162
Business meals and entertainment reimbursed under an accountable plan	✓			§274(e){3}
Business meetings of employees, stockholders, directors etc. (meals)		✓		§274(e){5}; §274(k)(1)
Business meetings of employees, stockholders, directors etc. (non-meal costs)	✓			§274(e){S}; §274(k)(1)
Business League meetings (i.e. Chamber of Commerce, real estate board, etc.) (meals)		✓		§274(e)(6)
Business League meetings (entertainment other than meals)	✓			§274(e){6}
* nondeductible after 2025				



Keep in touch.

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