

Meals and Entertainment Expense Guide for Business

Business Meal Deductions

Description	100%	100% if provided by restaurant 2021/2022	50%	Nondeductible
Entertainment				<input type="checkbox"/>
Meals with Business Associate		<input type="checkbox"/>		
Per Diem Notice 2021-63		<input type="checkbox"/>		
Company Picnic	<input type="checkbox"/>			
Holiday Party	<input type="checkbox"/>			
Meals for convenience of employer			<input type="checkbox"/>	After 12/31/25
Club memberships				
Snacks, water, coffe, provided at office			<input type="checkbox"/>	After 12/31/25
Meals for public as advertising	<input type="checkbox"/>			
Improve employee morale	<input type="checkbox"/>			

ENTERTAINMENT

NO forms of entertainment are allowed as deductible expenses. Following are examples of non-deductible entertainment:

Golf Club Memberships	Social Club Memberships	Club Dues & Fees	Tickets to Sporting Events
Tickets to the Theater/Concerts	Green Fees	Fishing Boat Charter	Hunting Guide

NOTE 01: Food or beverages purchased during entertainment activities are 100% deductible.

NOTE 02: Tickets to concerts or sporting events can be deducted as a business gift if you do NOT attend the event. Only \$25 per ticket can be deducted.

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MEALS – 100% DEDUCTIBLE

Meals purchased from a restaurant (dine-in or take-out) are 100% deductible in 2021 and 2022. The meals must be:

- With a business associate to discuss business.
- With employees to discuss business.
- For holiday parties, company picnics, etc.
- Meals consumed while traveling.
- Meals provided to the public as advertising.
- Meals to improve employee morale (have an agenda for the meeting).
- De Minimis Meals.

De Minimis Meals:

Any occasional meal you provide to an employee if it has so little value (considering how frequently you provide meals to your employees) that accounting for it would be unreasonable or administratively impracticable. The exclusion applies, for example, to the following items: coffee, donuts, soft drinks, water.

Occasional meals or meal money provided to enable an employee to work overtime.

NOTE 01: The IRS requires you to keep a copy of all receipts. You must write down (typically on the receipt) who you met with and the purpose of the meeting. Charges on a credit card statement will not be sufficient if audited by the IRS.

NOTE 02: You cannot deduct meals for yourself when eating during the normal course of doing business unless you are traveling and require overnight accommodations.

MEALS – 50% DEDUCTIBLE

- Meals for the convenience of employer.
- Snacks, coffee, water provided at the office.
- Any of the meals listed under 100% deductible that were purchased at a grocery store, convenience store, or any location which is not a restaurant.

NOTE 01: Meals for the convenience of employer can be converted into meals to improve employee morale, and be 100% deductible, by having a written agenda for the meeting/meal which includes an item that explains the meal is provided to improve employee morale.

NOTE 02: Snacks, coffee and water provided at the office are specified by the IRS as 50% deductible, however, a reasonable argument can be made that the purpose of the items are to improve employee morale, and thus be 100% deductible. We cannot guarantee this will pass an IRS audit; however, we believe it would likely be accepted as a 100% deductible expense.