

Business Meals and Entertainment Expenses Reference Chart

Expense Deduction	Guidance	General Rule
Client Business Meal	In order to be deductible: (1) The meal(s) must be ordinary and necessary to the trade or business. (2) The meal(s) may not be lavish or extravagant. (3) The taxpayer, or an employee of the taxpayer, must be present at the meal. (4) The meal must be provided to a current customer, client, consultant, or similar business contact (i.e. a prospective client).	50% Deductible
Meals During Travel	In order to be deductible, the meals must not be extravagant or lavish, and the travel must be made in pursuit of a trade or business.	50% Deductible
Meals Provided to Employees on the Business Premises	Previously, if these meals were primarily for the convenience of the employer and qualified as de minimis fringe benefits, they would qualify for 100% deduction.	50% Deductible
Water, Coffee, and Snacks Provided on the Business Premises	Previously, if these meals were primarily for the convenience of the employer and qualified as de minimis fringe benefits, they would qualify for 100% deduction.	50% Deductible
Employee Shift Meals	These include restaurant or caterer's costs for food and beverage items, purchased in connection with preparing and providing meals to its paying customers, that are consumed at the worksite by employees of the restaurant or caterer.	100% Deductible
Meals Sold to or Reimbursed by a Client or Customer		100% Deductible
Meals at Internal Business Meetings	Meals at business meetings must be directly related to meetings of employees, stockholders, agents, or directors. The meal may be on or off of the business premises.	50% Deductible
Food Offered for Free to the General Public		100% Deductible
Club Memberships	This includes memberships in clubs organized for business, pleasure, recreation, or other social purpose, which include social, athletic, or sporting clubs and organizations.	Non-Deductible
Company Event (i.e. holiday parties, company picnics)	This includes recreational, social, or similar activities primarily for the benefit of employees.	100% Deductible
Sporting Event Tickets and Sky-boxes	Previously, 50% of the face value of the ticket or skybox (to the extent of the face value of a non-luxury seat ticket in such box) was deductible.	Non-Deductible
Charitable Sporting Event Tickets		Non-Deductible
Meals Included With a Ticket to a Entertainment Event	If the meals are included, and not separately stated, from the cost of the entertainment.	Non-Deductible
Meals Purchased at an Entertainment Event	These meals must be separately stated from the entertainment on the bill, invoice, or receipt.	50% Deductible