

Meals and Entertainment (See page 8-10)

- General rule—business deduction is limited to 50%.
- For taxpayers in the transportation industry, the deduction is limited to 80%. [IRC §274(n)(3)]

Percentage of expense deductible (substitute transportation industry percentages instead of 50% for transportation workers)

- Employer's deduction for reimbursement to employee under an accountable plan..... 50%
- Employer's deduction for reimbursement to employee under a nonaccountable plan..... 100%
- Employee's deduction on Form 2106, in general..... 50%
- Taxpayer's deduction for reimbursement to a non-employee, and the reimbursement is included on the recipient's Form 1099-MISC..... 100%
- Employer's deduction for meals provided to employees as a de minimis fringe benefit (see Tab 13)..... 100%
- Taxpayer's deduction when provided to or sold to customers, such as a nightclub providing meals and entertainment to patrons..... 100%
- Taxpayer's deduction when provided to general public for promotional purposes..... 100%
- Provided to individuals with no reasonable expectation of getting any business from it..... 0%
- Provided to client or business associate when taxpayer or employee of taxpayer is not present..... 0%
- Extra cost of lavish or extravagant meals and entertainment..... 0%
- Extra cost of scalper's tickets..... 0%
- Extra cost of private luxury box seats..... 0%
- Club dues..... 0%
- Cost of operating an entertainment facility..... 0%
- Cost of providing meals and entertainment to business clients at a taxpayer operated entertainment facility..... 50%
- Taxpayer's own meals, not away from tax home..... 0%
- Taxpayer's own meals, travel away from tax home..... 50%
- Meals where business is not the primary purpose for the travel..... 0%
- Meals while traveling as a form of education..... 0%
- Medical expense deduction for meals as an inpatient..... 100%
- Medical expense deduction for meals as an outpatient..... 0%
- Charitable deduction for meals while traveling for charity and no significant element of personal pleasure, recreation, or vacation is in the travel..... 100%