



Bateman • Larkin
 Certified Public Accountants, P.C.

Meals, Travel and Entertainment Rules

The 2017 Tax Cuts and Jobs Act revised the deductibility of meals, entertainment & travel expenses as outlined below.

Entertainment	Old Law	New Law
Entertaining Activities (Potential customer, client, consultant, or a similar business contact)	Meals: 50% Deductible	Food and beverage 50% deductible if separately stated from the cost of the entertainment on one or more bills, invoices or receipts.
	Sporting, Concert, or other events: 50% deductible at face value on non-luxury ticket	Nondeductible
	Tickets to qualified charitable events are 100% deductible	100% deductible
	100% deduction on travel to and from entertainment event	Nondeductible
	Other entertainment: 50% deductible	Nondeductible
Office Holiday Parties	100% deductible	100% deductible
Travel		
Lodging & Airfare to a business convention out of town	100% deductible	100% deductible
Business travel to and from a client/customer	100% deductible	100% deductible
Lodging if a trip to a client requires an overnight stay	100% deductible	100% deductible

Meals	Old Law	New Law
Meals eaten during an overnight stay	Meals eaten alone are 50% deductible	No change
	Business discussed with client: Taxpayer and client/customer's meal are 50% deductible	No change
	No business discussed: Taxpayers meal is 50% deductible, client/customer's meal is nondeductible	No change
Meals Provided for the convenience of the Employer	100% deductible provided they are excludible from employees' gross income as de minimis fringe benefits; otherwise, 50% deductible	50% deductible; nondeductible after 2025
Meals where business is discussed before, during, or after	Taxpayer's meal and client/customer's meal are each 50% deductible	No change
Meals where no business is discussed before, during, or after	Nondeductible	Nondeductible
Meals eaten alone with no overnight stay	Nondeductible	Nondeductible

Substantiation Requirements

Records, including receipts, should be kept identifying the following: who, what, when, where, why, and how much.

If you have any questions, please call us at 503-639-4142.