

MEALS & ENTERTAINMENT RULES FOR 2017 and 2018

EVENT	2017 (Old Rules)	2018 (New Rules)
Business Meals: Meals in which substantial business discussion occurs before, during, or directly after the meal, or if some income or business benefit is expected to occur from providing the meal. (Of course, no meal is deductible if there is no reasonable business purpose for it, so be sure to document the reason for the meeting. Keep a receipt for all costs. The environment you choose should be conducive to business.)	50%	50%
Entertainment Expenses: Entertainment in which substantial business discussion occurs before, during, or directly after the event, or if some income or business benefit is expected to occur from the event.	50%	0%
Employee Parties: Meals and entertainment provided primarily for the benefit of rank-and-file employees. This includes company picnics, banquets, holiday parties, and the like. If you are self-employed, including two-person partnerships, this deduction not apply. Instead, see the criteria for general business meal deductions.	100%	100%
Office Snacks: The cost of providing free coffee, soda, bottled water, donuts, fruit, etc to employees to be consumed at the office.	100%	50% until 2025, 0% beginning in 2025
Office Meals: Meals served at the office when there is both a valid business reason and are primarily for the convenience of the employer (such as dinner provided so that employees can work late and meet an important deadline, or lunch served during a work meeting or employee training).	100%	50% until 2025, 0% beginning in 2025
Charity Events: Tickets to qualified charitable events (considered a charitable donation if no benefit).	100%	0%
Meals at Charity Sporting Event: Meals served as part of a charity sporting event, assuming volunteers put on the event, and if the proceeds go to a 501(c)3 charity. Dinners served at charity golf tournaments are the classic example here if they are part of charity donation.	100%	50%
Home Functions: Business functions at your home, for employees or for business prospects where you might give a sales presentation or a seminar, and in which you can properly document the purpose of the event and the attendees, and if the event is open to the public.	100%	100%
General Public Events: Meals or snacks provided to the general public, such as realtors holding open houses, or a business sponsoring a table at a concert, park, or other venue in which the business is promoting itself to the community.	100%	100%
Client Reimbursement: If you bill your client separately for meals and entertainment and receive a reimbursement from them for those costs, you should deduct 100% of those expenses. Your client is stuck with a 50 percent deduction.	100%	100%