



Meals & Entertainment

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Update to Meals & Entertainment Deduction For Your Business Starting in 2023

Part of the **Consolidated Appropriations Act** signed into law in December 2020, was a change to the deductibility of meals. Food and beverage were 100% deductible if purchased from a restaurant in 2021 and 2022, however, for 2023 on this is no longer the case.

Below are some examples of meal deductions for 2023 and onwards:

| Expense | Deduction |
|-----------------------------------------------------------------------------------|-----------------|
| Entertaining clients (golf games, sports events, etc) Business meals with clients | 0% deductible |
| Office meals and snacks | 50% deductible |
| Company wide parties | 50% deductible |
| Meals & Entertainment included in compensation | 100% deductible |

Fully deductible meals and entertainment

Here are some common examples of 100% deductible meals and entertainment expenses:

- A company-wide holiday party
- Food and drinks provided free of charge for the public
- Food included as taxable compensation to employees and included on the **W2**

50% deductible expenses

Here are some of the most common 50% deductible expenses:

- A meal with a client where work is discussed (that isn't lavish)
- Employee meals at a conference, above and beyond the ticket price
- Employee meals while traveling
- Treating a few employees to a meal (but if it's at least half of all employees, it's 100 percent deductible)
- Food for a boardmeeting
- Dinner provided for employees working late

Entertainment deduction

As of 2018 and the **Tax Cuts and Jobs Act**, **entertainment expenses are no longer deductible.**