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Navigating the New Rules for Meals and Entertainment Tax Deductions

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Comparison of M&E Expense Under the Old Law Versus the New Law

Event	2017 Expenses (Old Rules)	2018 Expenses (New Rules)
Office Holiday Party or Summer Picnic	100% deductible	100% deductible
Client Business Meals	50% deductible if taxpayer is present, and not lavish or extravagant	50% deductible if business is conducted, taxpayer is present, and not lavish or extravagant
Entertainment-related Meals	50% deductible	No deduction (e.g., meals incurred when no business is conducted, potentially at night clubs, cocktail lounges, theaters, country clubs, golf and athletic clubs, sporting events, and on hunting, fishing, vacation and similar trips)
Transportation to/from Restaurant for Client Business Meal	100% deductible	100% deductible
Sporting Event Tickets	50% deductible for face value of ticket.	No deduction
	50% deductible for skybox expenses to the extent of non-luxury seat ticket face value in such box.	No deduction
	100% deductible for charitable sporting events.	No deduction
	Contributions for the right to purchase tickets to an educational institution's athletic events 80% deductible.	No deduction
	50% for transportation to/from and parking at sporting events.	No deduction

Event	2017 Expenses (Old Rules)	2018 Expenses (New Rules)
Club Memberships	No deduction for club dues; however, 50% deduction for expenses incurred at a club organized for business, pleasure, recreation, or other social purposes if related to an active trade or business	No deduction
Meals Provided for the Convenience of Employer	100% deductible provided they are excludable from employee's gross income as de minimis fringe benefits; otherwise 50% deductible	50% deductible (nondeductible after 2025)
Meals Provided to Employees Occasionally and Overtime Employee Meals	100% deductible provided they are excludable from employees' gross income as de minimis fringe benefits; otherwise 50% deductible	50% deductible
Water, Coffee, and Snacks at the Office	100% deductible provided they are excludable from employees' gross income as de minimis fringe benefits; otherwise 50% deductible	50% deductible (nondeductible after 2025)
Meals in Office During Meetings of Employees, Stockholders, Agents, or Directors	50% deductible	50% deductible
Meals during Business Travel	50% deductible	50% deductible
Meals at a Seminar or Conference, or at a Business League Event	50% deductible	50% deductible
Meals included in Charitable Sports Package	100% deductible	50% deductible

Event	2017 Expenses (Old Rules)	2018 Expenses (New Rules)
Meals Included as Taxable Compensation to Employee or Independent Contractor	100% deductible	100% deductible
Meals Expenses Sold to a Client or Customer (or Reimbursed)	100% deductible	100% deductible
Food Offered to the Public for Free	100% deductible	100% deductible