

## **Temporary 100% Deduction for Business Meal Expenses**

Historically qualified business meals were only 50% deductible for tax purposes.

For the time period starting January 1, 2021 through December 31, 2022, there is a temporary 100% deduction for various business meals.

Certain meals still are only 50% deductible.

To qualify for the 100% deduction, the food or beverage must be provided by a restaurant. Restaurant means “a business that prepares and sells food or beverages to retail customers for immediate consumption – regardless of whether the food or beverages are consumed on the business premises”.

This would generally eliminate a grocery store, liquor store, convenience store or vending machines from the 100% deduction. For these, the 50% limitation still applies.

### **A few notes to remember:**

Recent legislation disallowed deductions for expenses for entertainment, amusement, or recreation.

If the cost for food and beverage are separately invoiced or separately stated on an entertainment receipt then, assuming they qualify, they are 100% deductible.

Also, you must be present at the event and it should not be lavish. Hmmm who decides this?

If you have any questions, feel free to contact us.