

Deduction Allowed for Various Meal and Entertainment Expenses		
Activity	Employer Deductible Amount	Reference
Meals during business travel	50%	IRC Sec. 274(n)(1) ; Prop. Reg. 1.274-12(a)(4)
Business meals with current or potential clients a	50%	IRS Notice 2018-76 ; Prop. Reg. 1.274-12(b)(3)
Business meals provided by a restaurant that are incurred after December 31, 2020 and before January 1, 2023	100%	IRC Sec. 274(n)(2)(D)
Entertainment costs for current or potential clients (e.g., concert or sporting event tickets, golf expenses)	Nondeductible	IRC Sec. 274(a)(1)
Meals provided during a business meeting with employees, stockholders, agents, or directors	50%	IRC Secs. 274(e)(5) and 274(n)(2)(A)
Meals at a business league, chamber of commerce, or other board of trade meeting	50%	IRC Sec. 274(e)(6) and 274(n)(2)(A)
De minimis food and beverages provided to employees in the workplace (e.g., bottled water, coffee, snacks)	50%	IRC Secs. 274(e)(1) and 274(n)(2)(A)
Meal and entertainment expenses included in the employee's taxable compensation	100%	IRC Secs. 274(e)(2) and 274(n)(2)(A) ; Prop. Reg. 1.274-12(c)(2)(i)
Recreational and social activities for employees (e.g., company picnic or holiday party)	100%	IRC Secs. 274(e)(4) and 274(n)(2)(A) ; Prop. Reg. 1.274-12(c)(2)(iii)
Meals provided for the convenience of the employer b	50%	IRC Sec. 274(n)(1)
Meals provided in an employer-operated eating facility b	50%	IRC Sec. 274(n)(1)
Meal and entertainment expenses included in income reported to an independent contractor	100%	IRC Secs. 274(e)(9) and 274(n)(2)(A) ; Prop. Reg. 1.274-12(c)(2)(ii)(C)
Food and beverages, services, and facilities made available for free to the general public	100%	IRC Secs. 274(e)(7) and 274(n)(2)(A) ; Prop. Reg. 1.274-12(c)(2)(iv)
Food and beverages and items sold to customers	100%	IRC Sec. 274(e)(8) ; Prop. Reg. 1.274-12(c)(2)(v)
Meals provided in conjunction with entertainment that are separately billed (or separately stated in an invoice)	50%	Notice 2018-76 ; Prop. Reg. 1.274-11(b)(1)(ii)
Meals provided in conjunction with entertainment that are not separately billed (or separately stated in an invoice)	Nondeductible	Notice 2018-76 ; Prop. Reg. 1.274-11(b)(1)(ii)
Meals required to be provided under federal law to crew members on certain commercial vessels or oil and gas platforms or drilling rigs (or related support camp)	100%	IRC Sec. 274(n)(2)(C)