**Recordkeeping Update**

Under the new tax law effective for amounts incurred or paid after December 31, 2017, the deduction for entertainment, amusement or recreation expenses that are directly related to or associated with the active conduct of a trade or business is repealed (no longer permitted). There are limited exceptions to this rule.

For many of our clients, these types of expenses were generally recorded under a meals and entertainment general ledger account. We recommend a new general ledger expense account be created specifically for entertainment expenses in order to properly track and identify these expenses in accounting records. They are no longer deductible for income tax purposes.

Taxpayers may still generally deduct 50% of the food and beverage expenses associated with operating their trade or business, such as meals consumed by employees on work travel.

Please feel free to contact our offices for questions or additional information.

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Sandusky Norwalk

***Treasury Circular 230 Disclosures***

*Unless expressly stated otherwise, any federal tax advice contained in this communication is not intended or written to be used, and cannot be used or relied upon, for the purpose of avoiding penalties under the Internal Revenue Code, or for promoting, marketing, or recommending any transaction or matter addressed herein.*