

## Clarifying Business Meal Expenses for 2021 and 2022

The IRS recently clarified what types of business meals qualify for 100% expensing in 2021 and 2022. Meals must come from a restaurant, defined as any business preparing and selling food or beverage to retail customers for immediate consumption. Whether the food is consumed on the premises doesn't matter.

Businesses selling pre-packaged food and drink that's not for immediate consumption (e.g., grocery stores, liquor stores, and vending machines) don't qualify.

This means dine-in, takeout and food carts/trucks all qualify. Everything else is out.

Remember that for a business meal to qualify as tax-deductible, it must have a business purpose, must not be lavish or extravagant, must have the business owner or employee present along with a business contact (e.g., customer or vendor) and must meet the ordinary and necessary definition.

Be sure to keep itemized receipts, not just the signed credit card slip, and write on the receipt who was present and what topics were discussed.



(516) 294-0400



(516) 938-0491



415 CROSSWAYS PARK DR.  
SUITE C  
WOODBURY, NY 11797

KVLSMCPA.COM

