

Meals Entertainment Deductions 2021-2022

Beginning January 1, 2021, through December 31, 2022, businesses can claim 100% of their food or beverage expenses paid to restaurants as long as the business owner (or an employee of the business) is present when food or beverages are provided and the expense is not lavish or extravagant under the circumstances. Your business meals must still meet the Section 162 definition of ordinary and necessary and not subject to disallowance under Section 274.

Event Description	0%	50%	100%
Employee lunches at the office provided by a restaurant			X
Employee lunches at the office not provided by a restaurant (ex. Items purchased from a grocery store)		X	
Employee meals while traveling, provided by a restaurant			X
Employee meals while traveling, not provided by a restaurant		X	
The entire cost of employee holiday parties and social activities			X
Office snacks and refreshments for staff		X	
Office snacks and refreshments for "the public"			X
Meals provided by a restaurant with business associates			X
Meals not provided by a restaurant with business associates		X	
Food made free to the public during a promotional event			X
The direct cost of any type of entertainment with a business associate, including golf green fees, sporting event tickets, hunting/fishing charters, nightclubs, etc.	X		
Food & Beverage purchased during an entertainment event, not separately stated on a receipt, but included in with the price of entertainment	X		
Food & Beverage purchased during an entertainment event if separately stated on a receipt		X	
Food & Beverage purchased during an entertainment event if separately stated on a receipt, and provided by a restaurant			X

RESTAURANT DEFINITION: A restaurant is 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's premises.

A restaurant is not a business that primarily sells pre-packaged food or beverages not for immediate consumption, including, but not limited to, the following:

- Grocery stores
- Specialty food stores
- Beer, wine, or liquor stores
- Drug stores
- Convenience stores
- Newsstands
- Vending machines or kiosks