

## TAX CUTS AND JOBS ACT – MEALS & ENTERTAINMENT DEDUCTIONS

The Tax Cuts and Jobs Act which was signed into law in late 2017, and brings about some changes to the deductions which employers and business owners are permitted to take in regards to expenses incurred for meals and entertainment.

Please refer to the table below for a breakdown of the changes attached to the new law:

	2017 Expenses	2018 Expenses
<b>Office Holiday Parties</b>	100% deductible	100% deductible
<b>Entertaining Clients</b>	50% deductible	No deduction for entertainment expenses
	Event tickets, 50% deductible for face value of ticket; anything above face value is non-deductible	
	Tickets to qualified charitable events are 100% deductible	
<b>Business Meals (e.g. Employee Travel Meals)</b>	50% deductible	50% deductible
<b>Meals Provided for Convenience of Employer</b>	100% deductible, provided they are excludible from employees' gross income as de minimis fringe benefits; otherwise, 50% deductible	50% deductible (nondeductible after 2025)

Source: Thomson Reuters, "2017 Tax Reform: Checkpoint Special Study on Business Tax Changes in the "Tax Cuts and Jobs Act"

If you have questions regarding this or any other changes to tax deductions and planning due to this new legislation, don't hesitate to contact our team of experts.

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