IRS Guidance Regarding Deductibility of Business Meal Expenses

October 9, 2018

The Tax Cuts and Jobs Act (the ?ÃÂ£***Tax Act***?ÃÂ¥), passed at the end of last year, revised Section 274 of the Internal Revenue Code to generally disallow a deduction for expenses with respect to entertainment, amusement, or recreation. However, the Tax Act does not specifically address the deductibility of expenses for business meals. The IRS intends to publish proposed regulations clarifying when business meal expenses are nondeductible entertainment expenses and when they are 50 percent deductible expenses. Until the proposed regulations are effective, a taxpayer can rely on the transitional guidance in IRS Notice 2018-76 to determine whether the taxpayer can deduct 50 percent of a business meal expense. **View the IRS Notice 2018-76**.

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