

2023 CHANGES

Meals & Entertainment

MARCH | 2023 | WWW.CDAACCOUNTING.COM



New IRS Meals and Entertainment Chart

The newsletter discusses changes to the business meal deduction for the year 2023 and beyond.

As of now, the deduction for business meals is only 50 percent—a significant change from the previous 100 percent deduction for business meals in and from restaurants, which was applicable only for the years 2021 and 2022.

Additionally, many business-generating entertainment deductions were eliminated by the Tax Cuts and Jobs Act.

MEALS

Business related meals have a range from 0% - 100% deduction. Ensure that you're spending your money correctly to optimize write-offs.

ENTERTAINMENT

There are still a few 100% entertainment deductions if you know how to maneuver to your benefit.

TEAMBUILDING

Team-building is still one of the last places where food & entertainment can be a full 100% deduction, including fun days at a theme park, parties, or rounds of golf.

	Amount Deductible for Tax Year 2023		
Description	100%	50%	Zero
Restaurant meals with clients and prospects		X	
Entertainment such as baseball and football games with clients and prospects			X
Employee meals for convenience of employer, served by in-house cafeteria		X	
Employee meals for required business meeting, purchased from a restaurant		X	
Meal served at chamber of commerce meeting held in a hotel meeting room		X	
Meal consumed in a fancy restaurant while in overnight business travel status		X	
Meals cooked by you in your hotel room kitchen while traveling away from home overnight		X	
Year-end party for employees and spouses	X		
Golf outing for employees and spouses	X		
Year-end party for customers			X
Meals made on premises for general public at marketing presentation	X		
Team-building recreational event for all employees	X		
Golf or theater outing or football game with your best customer			X
Meal with a prospective customer at a country club following your non-deductible round of golf		X	