

TAX CUTS AND JOBS ACT

changes under tax reform

MEALS AND ENTERTAINMENT

LAW ELIMINATES DEDUCTIONS FOR 2018



NO CHANGES FOR 2018

EXPENDITURE	2017 and 2018
Employee Office Party	100% Deductible
Employee Picnic	100% Deductible
Employee Holiday Party	100% Deductible
Employee Travel Meals	50% Deductible
Client Office Party	100% Deductible
Entertainment Client Meals*	50% Deductible

*Must retain a detailed receipt, list of attendees, and document business purpose.

NEW RULES FOR 2018

EXPENDITURE	2017	2018
ENTERTAINING CLIENTS*		
Entertainment	50% deductible for event tickets	NO DEDUCTION
Charitable Events	100% deductible	NO DEDUCTION
MEALS PROVIDED CONVENIENCE OF THE EMPLOYER	100% deductible excludible from employees' gross income as de minimis fringe benefits; otherwise 50% deductible.	50% DEDUCTION NO DEDUCTION AFTER 2025.
FRINGE BENEFITS		
	Businesses could deduct the cost of employee parking, transit passes and bike commuting reimbursements, and employees could exclude the benefit from income.	BUSINESSES CAN NO LONGER DEDUCT THE COST OF EMPLOYEE PARKING AND TRANSIT PASSES. EMPLOYEES CAN CONTINUE TO EXCLUDE THE BENEFIT FROM INCOME.
	Employee achievement awards could consist of anything within a dollar limit of \$400 per award and \$1,600 for all awards to the employee for the year.	EMPLOYEE ACHIEVEMENT AWARDS MUST BE TANGIBLE PERSONAL PROPERTY AND NOT CASH, GIFT CARDS, COUPONS OR CERTIFICATES, NOR TICKETS, MEALS, VACATIONS, LODGING OR STOCKS AND BONDS. THE DOLLAR LIMITS REMAIN UNCHANGED.

