

MEALS AND ENTERTAINMENT

WHAT'S DEDUCTIBLE IN 2025



Bad news: Tax deductions aren't what they used to be. Womp womp.

Sorry to burst your bubble, but **the glory days of deducting up to 100% of entertainment and meal expenses are long gone.** Most entertainment expenses are now non-deductible, and business meals are only 50% deductible.

Good news: in certain cases, you can still enjoy 100% deduction bliss.

There are a few exceptions to balance your disappointment—like food for fun employee events like holiday parties or team-building shenanigans. And don't forget food you provide to the public to spread goodwill.

Now, I know what you're thinking: "What about my weekly luxurious happy hour with my spouse while I watch the stunning Texas sunset?" Sorry, but probably not. **So what can you deduct?**

RULES FOR DEDUCTIBILITY

DOCUMENT, DOCUMENT, DOCUMENT

The number one rule in business expenses is to **always document your expenses – in real time, on your receipts as you get them.** Don't wait until tax time to review your AMEX bill, jotting notes on your statement.

100% DEDUCTIBLE

- **Food for recreational employee events** (think: wild holiday parties and epic summer picnics)
- **Food that promotes goodwill when you share it with the public** (snacks and coffee galore!)
- **Food for events supporting charitable causes** (give back while deducting!)
- **Meals are provided to employees for the convenience of the employer** (let them eat dinner!)

50% DEDUCTIBLE

- **Business meals** (dining with clients or partners, but don't go overboard!)
- **Meals provided in-office for meetings** (fuel those brainstorming sessions!)
- **Employee meals at a company cafeteria** (when the revenue covers the costs)
- **Food items like soda, coffee, or snacks for your hardworking employees**
- **Meals while traveling for work** (because even on the road, you got to eat!)
- **Meals at conferences** (learning is always better with a full stomach)

NOT DEDUCTIBLE

There's always a party pooper. Entertainment expenses are a no-go. Nightclubs, theaters, sporting events, and all those exciting trips you had in mind? Not deductible, my friend. Also, forget about deducting the rental costs of an entertainment facility or membership dues.

The IRS has spoken. And it's a NO.

DOES YOUR CPA MAKE YOU MONEY?

It's a real headscratcher for our new clients at Tannery Company. They spend hours with us, asking questions and soaking up our professional advice on how to document and deduct their expenses.

And what do they say about their previous CPAs? "My CPA takes my documents and financial data, enters the numbers into the tax return, and calls it a day." We've heard it so often that we've given them a nickname: "numbers-in-a-box CPA."

So, here's the million-dollar question: **Does your CPA make you money?** If your answer is anything less than a resounding "yes," it's time to give your CPA the boot!

At Tannery Company, our team of qualified CPAs is ready to help you navigate the complex world of tax deductions. We'll show you what's deductible, how to document your expenses, and how to maximize your deductions while staying compliant with the IRS.

Let us take the stress out of tax season and help you pay less.

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