

**MOLLETT & BURIAN
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**MEALS AND ENTERTAINMENT – FINAL REGULATIONS
TRUMP’S TRAVEL AND ENTERTAINMENT BILL
FINAL REGULATIONS – FALL OF 2020**

- I. SURPRISE THE IRS
 - A. 5 words: Who, What, Why, Where and When
 - B. Documentation
 - C. Expense or Compensation
- II. TRANSPORTATION
 - A. Commute
 - B. Fringe benefits, i.e., parking
 - C. Should be employee or 1099er
 - D. Annual mileage rate
- III. MEANS AND FUN THINGS WE LIKE TO DO AND WRITE OFF
 - A. Business entertainment was 50% deductible; under new regs may not be deductible
 - B. Exceptions:
 - 1) on-site food and beverages for employees
 - 2) compensation
 - 3) reimbursed expenses
 - 4) recreational – social
 - 5) employees’ business meetings and/or related parties
 - 6) business leagues and chamber meetings
 - 7) 1099ers
 - C. Meals – 50% deductible
 - 1) Not lavish
 - 2) Employees present
 - D. 100% deductible
 - 1) Compensation
 - 2) Reimbursed expenses
 - 3) Expenses for benefit of employees
 - 4) 1099ers
 - E. Breakroom Snacks – 100% deductible
 - F. Social Gatherings for Employees
 - G. Entertaining Clients & Customers
 - 1) Costs separately stated – 50% deductible
 - 2) Entertainment costs – not deductible
- IV. ACCOUNTING RECORDS
 - A. 5 words: Who, What, Why, Where and When
 - B. Add general ledger accounts to make year-end easier