

Certain Business Expenses Under the New Tax Reform Bill

Meals, Entertainment & Dues:

	Tax Years Beginning Before Dec 31 2017	Tax Years Beginning on/after Jan 1 2018
Client Entertainment: Expenses for recreation or amusement, i.e. event tickets, golf (excluding meals)	50% Deductible; Tickets to qualified charitable event 100% deductible	No Deduction
Client Entertainment: meals only	50% Deductible	50% Deductible
Employer provided food & beverages to employees on employer's premises	100% Deductible*	50% Deductible*
Employee meals outside the office for a business purpose (e.g. overnight travel)	Generally, 50% Deductible	50% Deductible
Office holiday parties and other expenses for recreation or social purposes primarily for the benefit of most employees	100% Deductible*	100% Deductible*
Trade Association Dues	Generally, 100% Deductible	Generally, 100% Deductible
Social, Athletic or Sporting Club Membership Dues	No Deduction	No Deduction
Membership dues for any club organized to further the taxpayer's trade or business	100% Deductible	No Deduction

Fringe Benefits:

Transportation benefits to employees including expenses in a commuter highway vehicle to and from work, transit pass and parking.	100% Deductible; excluded from employee's income (up to limits)	No Deduction to employer, remains tax free to employee (up to limits)**
Reimbursement of mileage for business travel excluding commuting expenses	100% Deductible, excluded from employee's income up to IRS mileage rate	Same as prior law
Bicycle Commuting Reimbursement	Reimbursements of up to \$20 for each qualified bicycle commuting month are excludable from employee's gross income and deductible to employer	Qualified bicycle commuting reimbursements are included in the gross income of the employee and deductible to the employer
Moving Expense Reimbursement	100% exclusion to employee for qualified moving expense reimbursements provided by employer and 100% deductible to employer	Qualified moving expense reimbursements are included in the gross income of the employee and deductible to the employer***

*A *de Minimis* threshold should be applied and not exceeded, otherwise the fringe benefit can become a taxable employee benefit.

**Unless the expense is needed to ensure the safety of the employee.

***The exclusion of income is still available for active duty members of the armed forces moving pursuant to a military order.