BUSINESS MEALS & HOLIDAY PARTY · 2026 GUIDE

The 2026 Meal Rules at a Glance

Most business meals are **50%** deductible. A few are **100%**. Entertainment and, starting in 2026, most office snacks and staff meals are **0%**.

Meal type	Deductible	Notes
Client or business-contact meal (you attend)	50%	Not lavish; you or your employee present
Meals on an overnight business trip	50%	Keep trip dates and purpose
Food at an entertainment event, billed separately	50%	Must be stated apart from tickets
Holiday party or picnic mainly for employees	100%	Not if mainly for owners or highly paid staff
Food given free to the general public	100%	For example, a grand-opening table
Meals treated as pay to an employee	100%	Reported as wages
Office snacks / meals for staff on site	0%	For amounts paid after 2025 (limited exceptions)
Entertainment: tickets, golf, club dues	0%	Entertainment is not deductible

> Tax and tip are part of the meal cost. The cost of getting to and from the meal is not part of it (IRS Pub. 463).

My notes

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What to Write Down for Every Meal

The IRS does not accept estimates. You need a written record; writing it down right after the meal is best.

☐ **Amount** (with tax and tip).

☐ **Date**.

☐ **Place**: name and location of the restaurant.

☐ **Who attended** and how many people.

☐ **Business relationship** (client, vendor, employee).

☐ **Business reason** (what was discussed or gained).

Receipt rule: keep a receipt or other proof for any meal of **$75 or more**.

A restaurant receipt is usually enough if it shows the name and location, number of people, date and amount. Add the business reason yourself.

How long to keep it

Generally 3 years from the date you file the return that claims the deduction (IRS Pub. 463).

The **Meal Log** tab flags any row of $75 or more without a receipt, and any row missing a business reason.

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Holiday Party Checklist

Food and drink for a holiday party or picnic held **primarily for the benefit of your employees** can stay 100% deductible (IRS Pub. 15-B, 2026).

- ☐ The party is mainly for employees, not mainly for owners or officers.
- ☐ It is not limited to highly compensated employees.
- ☐ Every cost is in the **Party Planner** tab (venue, food, drinks, music, decorations).
- ☐ Receipts are saved for every cost of $75 or more.
- ☐ The guest count and the date are written down.
- ☐ Each cost is also entered on the **Meal Log** as a staff holiday party.

Highly compensated employee (2026, Pub. 15-B): a 5% owner in the year or the year before, or someone paid more than $160,000 in the year before.

Gifts to employees (gift cards, cash, prizes) have their own rules and may count as wages. Ask your payroll provider or tax professional.

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What Changed in 2026 + What Is Not Covered

The 2026 change

For amounts paid after 2025, an employer can no longer deduct food and drink provided to employees through an on-site eating facility or **for the convenience of the employer**. The 50% deduction that applied through 2025 has been eliminated (IRS Pub. 15-B, 2026).

The law created limited exceptions for certain industries and for meals provided by restaurants. See section 274(o) and ask your tax professional.

In this kit, office snacks and on-site staff meals are set to 0%. If your tax professional confirms an exception, change that row on the **Rules** tab.

Not covered

- Per diem and standard meal allowance rates.
- Special percentages for transportation workers under hours-of-service limits.
- State income tax rules.
- Business gifts to clients.

Privacy: this kit never needs your SSN, card numbers or any password. Do not type them into the workbook.

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