

## In The News

# Ira Stechel Writes Article for *Bloomberg Tax* Clarifying IRS' Final Guidelines on Meal, Entertainment Expenses

November 18, 2020

Ira Stechel wrote an article for *Bloomberg Tax's* Tax Management Memorandum in which he explains the final guidelines released by the IRS, which reduce the deductibility of meal and entertainment expenses. The guidelines, which took effect on October 9, 2020, are related to amendments made to a provision by the Tax Cuts and Jobs Act of 2017 (TCJA).

“The TCJA amended 274(a) to eliminate the exception for expenses directly related to or associated with the taxpayer’s business. As a result, most entertainment expenses are now entirely nondeductible. However, the TCJA did not define the term ‘entertainment’ or explain whether business meals are considered entertainment. Adding to this uncertainty was the fact that the language of the regulations under 274 defined ‘entertainment’ as any activity ‘generally considered to constitute entertainment, amusement, or recreation,’ which may include activities that satisfy the ‘personal, living or family needs’ of an employee, such as providing food and beverages.”

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