

New Rules for Employee Meals & Perks in 2026

Beginning January 1, 2026, significant changes took effect under the One Big Beautiful Bill Act (OBBA) that impact how businesses can deduct employee meals and workplace perks. Use this reference guide to understand which expenses remain deductible and how to structure costs effectively.

Expense Type	2025	2026
Meals Provided for Convenience of Employer	50% deductible	0% deductible
Meals Provided to Employees Occasionally and Overtime Employee Meals	50% deductible	0% deductible
Water, Coffee, and Snacks at the Office	50% deductible	0% deductible
Meals in Office During Meetings of Employees, Stockholders, Agents, or Directors	50% deductible, meals that are ordinary and necessary for carrying on a trade or business, where the taxpayer or an employee is present at the meal	50% deductible
Entertainment-related Meals	0% deductible	0% deductible
Meals During Business Travel	50% deductible	50% deductible
Client, Customers, or Employee Business Meals	50% deductible if ordinary and necessary in carrying on business, taxpayer is present, provided to current or potential client or consultant, and not lavish or extravagant	50% deductible if ordinary and necessary in carrying on business, taxpayer is present, provided to current or potential client or consultant, and not lavish or extravagant
Meals at a Seminar or Conference, or at a Business League Event	50% deductible	50% deductible
Meals Included in Charitable Sports Package	0% deductible	0% deductible
Meals Included as Taxable Compensation to Employee or Independent Contractor	100% deductible	100% deductible
Meal Expenses Sold to a Client or Customer (or reimbursed)	100% deductible	100% deductible
Food Offered to the Public for Free (e.g., a seminar)	100% deductible	100% deductible
Transportation to/from Restaurant for Client Business Meal	100% deductible	100% deductible
Office Holiday Party or Picnic	100% deductible	100% deductible
Event Tickets (regular seating)	Not deductible	Not deductible
Luxury Box Seating or Rentals	Not deductible	Not deductible
Charitable Sports Tickets	Not deductible	Not deductible
Required Donations to Purchase Tickets	Not deductible	Not deductible
Entertainment Parking	Not deductible	Not deductible
Club Memberships	Not deductible	Not deductible

Questions about how these changes affect your business?

Contact Ceschini CPAs Tax & Advisory, PLLC for personalized guidance.