

Meal Per Diem Deductible at 100% for 2021 and 2022

The Consolidated Appropriations Act, 2021, permits a 100% deduction for food and beverages provided by a restaurant during calendar years 2021 and 2022.

Notice 2021-25 provided guidance on these by focusing on the word “restaurant.”

Taxpayers can claim meal expenses using either the Actual method or the Per Diem method. Clearly the Actual method qualified for the 100% deduction as long as the meal was provided by a restaurant. But the application of the 100% treatment did not specifically address meal expenses using the Per Diem method.

Now Notice 2021-63 provides guidance on the 100% deduction treatment and the use of the meal per diem amounts. Briefly the Notice states that the meal per diem is eligible for the 100% deduction treatment. This includes both the “meals and incidental expense only” per diem as well as the meal portion of the “lodging, meal and incidental expenses”.

This text has been shared courtesy of: David & Mary Mellem, EAs & Ashwaubenon Tax Professionals, 920-496-1065 (fax 920-496-9111).

©2021 Ashwaubenon Tax Professionals. No reproduction of this article is permitted without the express consent of Ashwaubenon Tax Professionals, 2140 Holmgren Way, Suite 1040, Green Bay, WI 54304.