

107TH CONGRESS  
1ST SESSION

# S. 831

To amend the Internal Revenue Code of 1986 to provide for a 100 percent deduction for business meals.

---

IN THE SENATE OF THE UNITED STATES

MAY 3, 2001

Mr. SHELBY introduced the following bill; which was read twice and referred to the Committee on Finance

---

## A BILL

To amend the Internal Revenue Code of 1986 to provide for a 100 percent deduction for business meals.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. INCREASED DEDUCTION FOR BUSINESS MEAL**  
4                   **EXPENSES.**

5       (a) IN GENERAL.—Section 274(n)(1) (relating to  
6       only 50 percent of meal and entertainment expenses al-  
7       lowed as deduction) is amended by striking “50 percent”  
8       in the text and inserting “the allowable percentage”.

9       (b) ALLOWABLE PERCENTAGE.—Section 274(n) is  
10      amended by—

4 (3) inserting after paragraph (1) the following  
5 new paragraph:

6                   “(2) ALLOWABLE PERCENTAGE.—For purposes  
7                   of paragraph (1), the allowable percentage is—

8                             “(A) in the case of amounts for items de-  
9                             scribed in paragraph (1)(B), 50 percent, and

10                   “(B) in the case of expenses for food or  
11                   beverages, 100 percent.”.

12 (c) CONFORMING AMENDMENT.—The heading for  
13 subsection (n) of section 274 is amended by striking “50  
14 PERCENT” and inserting “LIMITED PERCENTAGES”.

15 (d) EFFECTIVE DATE.—The amendments made by  
16 this section shall apply to taxable years beginning after  
17 December 31, 2001.

○