

Where Does This Meal Go?

A MEALS CHEAT SHEET FOR CODING BUSINESS MEALS UNDER THE 2026 RULES

Every meal now goes into one of three categories, based on who ate and why. Starting January 1, 2026, food provided to staff at the office is no longer tax deductible at all, so these categories need to be kept separate on your books.

CATEGORY	TAX DEDUCTION	THE QUICK TEST
Business Development: Travel / Client / Team Meals	50%	A client or business contact was there, you were traveling overnight, or it was a working meal with a team member away from the office.
Team Enrichment Meals	100%	A party, celebration or social event open to the whole team.
Office/Admin: Convenience Meals	0%	Food for staff at the office, or a meal eaten alone that isn't part of overnight travel.

Not sure where something goes? Code to your best guess, add a note in the memo, and we'll review it at month-end.

Business Development: Travel / Client / Team Meals 50%

Use this category when the meal has a clear business purpose and involves a client, overnight travel, or a working conversation with a team member away from the office. Someone from your company must be at the meal, and it can't be lavish for the situation.

SCENARIO	WHY IT GOES HERE
Lunch with a client to review a project	Client meal
Dinner with a prospect after a pitch	Client meal
Catered lunch ordered for a client review session at the studio	Food bought for a client visit
Pastries and coffee picked up for a client meeting at the studio	Food bought for a client visit
Coffee with a vendor or freelance collaborator to plan a project	Business contact meal
Meals during an out-of-town shoot with an overnight stay	Overnight travel
Meals while attending a conference out of town	Overnight travel



SCENARIO	WHY IT GOES HERE
Airport breakfast on the way to an overnight client trip	Overnight travel
Taking a team member to lunch for a 1:1	Working meal away from the office
Team lunch at a restaurant during an off-site planning session or training	Working meal away from the office



Watch out for:

- Same-day trips don't count as travel. Lunch on the drive to a local shoot goes to Office/Admin, unless a client is with you.
- Personal guests aren't covered. If a spouse or friend joins a client dinner, note it; their portion isn't deductible.
- Food in the shared kitchen doesn't go here, even if clients help themselves. Only food bought specifically for a client visit belongs in this category.

Team Enrichment Meals 100%

Use this category for parties, celebrations and social events held mainly for your employees. The event must be open to the whole team (or a whole department or location), not just owners or senior staff.

SCENARIO	WHY IT GOES HERE
Holiday party for all staff	Social event for the whole team
Summer barbecue or team picnic	Social event for the whole team
Celebration dinner for the team after wrapping a big project	Social event for the whole team
Monthly birthday lunch for everyone on staff	Recurring social event open to all
Team-building outing that includes food	Recreational event for employees

Watch out for:

- Leadership-only events don't qualify. A dinner for just the owners or managers goes to Business Development if it's a working meal, or Office/Admin if it's at the office.
- Client-focused events don't go here. If clients are the main guests, use Business Development.
- A regular staff meeting with lunch isn't a celebration. In-office meeting food goes to Office/Admin.

Office/Admin: Convenience Meals 0%

Use this category for food provided to staff at the office and for meals eaten alone that aren't part of overnight travel. These are still real business costs and still belong on your books, but as of 2026 they are not tax deductible.

SCENARIO	WHY IT GOES HERE
Catered lunch for an in-office staff training	Staff food at the office
Lunch ordered in for a staff meeting at the studio	Staff food at the office
Dinner ordered for the team working late at the studio	Staff food at the office
Snacks, coffee, water and drinks stocked in the kitchen or break room	Staff food at the office, even if clients also use it
Grabbing lunch alone on the drive to a local shoot or meeting	Solo meal, no overnight travel
Meals on a same-day trip with no client present	Solo meal, no overnight travel

Watch out for:

- Moving the meeting changes the category. The same training lunch held at a restaurant off-site goes to Business Development.
- Adding a client changes the category. If a client joins the working lunch at the studio, it goes to Business Development.



Craft Services & Catered Crew Meals

ON-SET FOOD • MIXED CREWS • CLEAR RECORDS

A catered shoot-day lunch is not automatically a team social event. Start with who ate, why food was provided, who employs the crew, and whether an exception applies.

1099 does not automatically mean 100%.

The contractor compensation exception requires proper taxable-benefit treatment and reporting. Keep ordinary contractor business meals separate from meals approved under that exception.

How to code the crew meal

WHO / SITUATION	DEDUCTION	WHAT TO DOCUMENT
W-2 crew: on-set meals for the employer's convenience	Generally 0%	Meals must meet the business-premises and substantial nonpay business-reason tests. A shoot location can qualify. Document restricted meal breaks or remote food access.
1099 crew: qualifying ordinary business meal	Generally 50%	1099 status alone is not a 100% exception. Retain the business purpose and required owner/employee presence; flag recurring craft-service arrangements for tax review.
1099 crew: meal benefit as taxable compensation	Potentially 100%	Tax adviser confirms the exception, proper benefit value, recipient income treatment and applicable information-return reporting. A bookkeeping label alone is not enough.
Mixed W-2 / 1099 / client attendees	Split + review	Separate the actual costs where possible. Otherwise use a reasonable, documented allocation. Check who is the employer when a payroll company or staffing firm is used.

Track it once. Keep the support together.

1. Save the itemized caterer / craft receipt with tax, tips and service charges.
2. Attach the job number, shoot date, location, meal type and business reason.
3. Record who actually ate: names / crew list, W-2 employer, contractors and clients.
4. Split by actual orders or a consistent headcount / consumption method; keep the math.
5. Code the full cost to the project. Use separate meal subaccounts or tax tags for 0%, 50% and approved 100% items; do not reduce the expense to the deduction.
6. Keep contractor-compensation benefits in a separate review queue. Have the tax adviser confirm valuation and reporting before closing the books or filing returns.

Example: one \$1,000 catered invoice, 20 equal-cost meals

12 W-2 convenience meals = \$600 in the 0% bucket. Eight qualifying contractor business meals = \$400 in the 50% bucket (\$200 deduction), unless a documented exception applies. This is an allocation example, not a rule that every contractor meal qualifies for 50%.

Federal rules checked October 2026 • Routine on-set food is not a crew-party exception.

Sources: IRS Publication 15-B (2026), Meals; IRC §§ 119 and 274(o);
Treas. Reg. § 1.274-12(a), (b)(3), (c)(2)(i)(B)-(D). Individual arrangements need tax review.