

106TH CONGRESS  
1ST SESSION

# H. R. 2554

To amend the Internal Revenue Code of 1986 to increase the amount of the deduction allowed for meals and entertainment expenses.

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IN THE HOUSE OF REPRESENTATIVES

JULY 19, 1999

Mr. SMITH of New Jersey introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to increase the amount of the deduction allowed for meals and entertainment expenses.

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. SHORT TITLE.**

4 This Act may be cited as the “Meal Tax Reduction  
5 Act”.

6 **SEC. 2. INCREASED DEDUCTION FOR MEALS AND ENTER-**  
7 **TAINMENT EXPENSES.**

8 (a) IN GENERAL.—Paragraph (1) of section 274(n)  
9 of the Internal Revenue Code of 1986 (relating to only  
10 50 percent of meal and entertainment expenses allowed

1 as deduction) is amended by striking “50 percent” and  
 2 inserting “the applicable percentage”.

3 (b) **APPLICABLE PERCENTAGE.**—Paragraph (3) of  
 4 section 274(n) of such Code is amended to read as follows:

5 “(3) **APPLICABLE PERCENTAGE.**—For purposes  
 6 of paragraph (1), the applicable percentage is the  
 7 percentage determined in accordance with the fol-  
 8 lowing table:

<b>“For taxable years beginning in calendar year—</b>	<b>The applicable percentage is—</b>
2000 or 2001 .....	60
2002 or 2003 .....	65
2004 or 2005 .....	70
2006 or 2007 .....	75
2008 or thereafter .....	80.”.

9 (c) **CONFORMING AMENDMENT.**—The heading for  
 10 subsection (n) of section 274 of such Code is amended  
 11 by striking “ONLY 50 PERCENT OF” and inserting “LIMI-  
 12 TATION ON”.

13 (d) **EFFECTIVE DATE.**—The amendments made by  
 14 this section shall apply to taxable years beginning after  
 15 December 31, 1999.

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