

105TH CONGRESS  
1ST SESSION

# H. R. 2918

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

NOVEMBER 7, 1997

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. INCREASED DEDUCTION FOR MEALS AND EN-**  
4       **TERTAINMENT EXPENSES.**

5       (a) IN GENERAL.—Paragraph (1) of section 274(n)  
6       of the Internal Revenue Code of 1986 (relating to only  
7       50 percent of meal and entertainment expenses allowed  
8       as deduction) is amended by striking “50 percent” and  
9       inserting “the applicable percentage”.

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

3 “(3) APPLICABLE PERCENTAGE.—For purposes  
 4 of paragraph (1), the applicable percentage is the  
 5 percentage determined in accordance with the follow-  
 6 ing table:

<b>“For taxable years beginning in calendar year—</b>	<b>The applicable percentage is—</b>
1999 .....	55
2000 or 2001 .....	60
2002 or 2003 .....	65
2004 or 2005 .....	70
2006 or 2007 .....	75
2008 or thereafter .....	80.”.

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

11 (d) EFFECTIVE DATE.—The amendments made by  
 12 this section shall apply to taxable years beginning after  
 13 December 31, 1998.

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