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110TH CONGRESS
1ST SESSION

# H. R. 2648

To amend the Internal Revenue Code of 1986 to repeal the reduction in the deductible portion of expenses for business meals and entertainment.

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IN THE HOUSE OF REPRESENTATIVES

JUNE 11, 2007

Mr. ABERCROMBIE 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 repeal the reduction in the deductible portion of expenses for business meals and entertainment.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. REPEAL OF REDUCTION IN BUSINESS MEALS AND ENTERTAINMENT TAX DEDUCTION.**

(a) IN GENERAL.—Section 274(n)(1) of the Internal Revenue Code of 1986 (relating to only 50 percent of meal and entertainment expenses allowed as deduction) is amended by striking ''50 percent'' and inserting ''the applicable percentage''.

(b) APPLICABLE PERCENTAGE.—Section 274(n) of the Internal Revenue Code of 1986 is amended by striking paragraph (3) and inserting the following:

"(3) APPLICABLE PERCENTAGE.—For purposes of paragraph (1), the term 'applicable percentage' means the percentage determined under the following table:

| "For taxable years beginning in calendar year— | The applicable percentage is— |
|---|---|
| 2007 | 75 |
| 2008 or thereafter | 80.". |

(c) CONFORMING AMENDMENT.—The heading for section 274(n) of the Internal Revenue Code of 1986 is amended by striking "ONLY 50 PERCENT" and inserting "PORTION".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2006.

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