

110TH CONGRESS
1ST SESSION

S. 58

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

IN THE SENATE OF THE UNITED STATES

JANUARY 4, 2007

Mr. REID (for Mr. INOUE) 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 repeal the reduction in the deductible portion of expenses for business meals and entertainment.

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

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

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

4 “(3) APPLICABLE PERCENTAGE.—For purposes
 5 of paragraph (1), the term ‘applicable percentage’
 6 means the percentage determined under the fol-
 7 lowing table:

“For taxable years beginning in calendar year—	The applicable percentage is—
2007	75
2008 or thereafter	80.”.

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

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

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