



Tax Facts – Entertainment

Entertainment expenditure is limited to a 50% deduction if it falls within the following:

1. Corporate Boxes
2. Holiday Accommodation
3. Pleasure Craft
4. Food & Beverages consumed at any of the above or in other specific circumstances, for example:
 - incidentally at any of the three types of entertainment above, eg, alcohol and food provided in a corporate box
 - away from the taxpayer's business premises, such as a business lunch at a restaurant
 - on the taxpayer's business premises at a party, reception, celebration meal, or other similar social function, such as a Christmas party for all staff, held on the business premises (excluding everyday meals provided at a staff cafeteria)
 - at any event or function, on or away from your business premises for the purpose of staff morale or goodwill, such as a Friday night 'shout' at the pub
 - in an area of the business premises reserved for use at the time by senior staff and not open to other staff, such as an executive dining room used to entertain clients

There are a number of exemptions from these rules, please contact us if you are unsure, or see the [IRD Entertainment Expenses \(IR268\)](#) booklet for more information.