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2020. The Act added a temporary exception to the 50% limit on the amount that businesses may ...

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The image shows a collage of three IRS tax forms. At the top is Form 1065, 'U.S. Return of Partnership Income', for calendar year 2005. Below it is Form 1120S, 'U.S. Income Tax Return for an S Corporation', also for calendar year 2005. At the bottom is Form 1120, 'U.S. Corporation Income Tax Return', for calendar year 2005. The forms are overlapping and show various sections like 'Principal business activities', 'Effective date of S election', and 'Check if:'. The forms are from the Department of the Treasury, Internal Revenue Service.

The Treasury Department and the Internal Revenue Service have issued [Notice 2021-25](#) providing guidance under the Taxpayer Certainty and Disaster Relief Act of 2020. The Act added a temporary exception to the 50% limit on the amount that businesses may deduct for food or beverages. The temporary exception allows a 100% deduction for food or beverages from restaurants.

Beginning Jan. 1, 2021, through Dec. 31, 2022, businesses can claim 100% of their food or beverage expenses paid to restaurants as long as the business owner (or an

employee of the business) is present when food or beverages are provided and the

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Additionally, an employer may not treat certain employer-operated eating facilities as restaurants, even if these facilities are operated by a third party under contract with the employer.

More information for business seeking coronavirus related tax relief can be found at [IRS.gov](https://www.irs.gov).

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