

Entertainment Expenses Table

		50% deductible	100% deductible
1.	Friday night drinks for team members or clients in the office.	✓	
2.	Friday night drinks for team members or clients in the pub.	✓	
3.	Hire of a launch to entertain clients.	✓	
4.	Restaurants providing food and drinks to team members at a social function in their restaurant.	✓	
5.	Sponsoring local sports teams and receiving tickets to their corporate box in return. 50% of the value of the tickets would be deducted from the total sponsorship.	✓	
6.	Sponsoring a sports team with a meal for the team at their grounds after each game.	✓	
7.	The staff Christmas party on or off the business premises.	✓	
8.	Taking a client out to dinner, whether in your hometown or while out of town on business in New Zealand.	✓	
9.	A weekend away for the team at holiday accommodation in New Zealand. Includes any food and drink provided.	✓	
10.	Dinner for a Sales Rep while out of town selling and no client present.		✓
11.	Donating food to a Christmas party in a children's hospital.		✓
12.	Providing entertainment, including food and drink at your promotional stand for the local Christmas Festival open to the public.		✓
13.	Employee's salary package includes a taxable allowance for entertaining clients.		✓
14.	Golf club subscription for a business owner paid by the Company.*		✓
15.	Gym membership for a team member paid by the employer.*		✓
16.	Dinner for a journalist while reviewing your business for their column.		✓
17.	Morning and afternoon tea for your team. **		✓
18.	Sandwiches provided at a lunchtime meeting of supervisors.		✓
19.	Sponsoring a local sports team.		✓
20.	Taking a client out to dinner while you are out of town on business outside New Zealand.		✓
21.	Holding the team Christmas party in Fiji.		✓

See notes across page.

* Note that:

- Expenses incurred in providing golf club subscriptions and gym memberships to employees are 100% deductible and not subject to the Entertainment Expense 50% limitation. However these expenses are subject to FBT.
- If the business pays an employee's golf club or gym membership subscription, it will be taxable to the employee under the PAYE rules. If the business has a corporate subscription that any employee can use, this will be subject to FBT.

** Note that:

- Light refreshments such as morning and afternoon teas are 100% deductible. This is usually conditional on being provided at the business premises. A coffee with an employee off-site in a café will only be 50% deductible
- However, where the business typically earns income by projects on construction or other project sites, while the worksite is not the usual business address, it is a temporary workplace and will be deemed to be provided on business premises. If a business owner buys coffees/morning tea for staff working on a building site, it's 100% deductible
- Food and drink provided away from your business premises to share with clients and other business contacts is only 50% deductible. Coffees a business owner buys to take to a client's premises for a meeting are 50% deductible
- Food and drink you buy for yourself is considered to be a private expense and isn't deductible, whether you are a business owner, a self-employed person, a shareholder employee or an employee. The lunch-time pie on the go, the coffee you buy in the morning to bring into the office are not deductible