



***TD 92/151 - Income tax: does subsection 51AE(4) operate to deny a deduction for the cost of a taxpayer's own meal if the taxpayer, while travelling away from home, also buys a meal for a client?***

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 This document has changed over time. This is a consolidated version of the ruling which was published on *27 August 1992*

This Determination, to the extent that it is capable of being a 'public ruling' in terms of Part IVA of the *Taxation Administration Act 1953*, is a public ruling for the purposes of that Part. Taxation Ruling TR 92/1 explains when a Determination is a public ruling and how it is binding on the Commissioner. Unless otherwise stated, the Determination applies to transactions entered into both before and after its date of issue.

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## Taxation Determination

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### **Income tax: does subsection 51AE(4) operate to deny a deduction for the cost of a taxpayer's own meal if the taxpayer, while travelling away from home, also buys a meal for a client?**

1. Yes. Subsection 51AE(4) of the *Income Tax Assessment Act 1936* provides that a deduction is not allowable under section 51 for a loss or outgoing incurred after 19 September 1985 in respect of the provision of entertainment ('entertainment expenses'). The cost of a person's own meals while travelling away from home is not normally regarded as 'entertainment expenses'. However, expenses incurred by a taxpayer in entertaining a client, including the cost of the taxpayer's own meal, are regarded as 'entertainment expenses' and are not deductible.

2. Subsection 51AE(4) operates to deny a deduction for the cost of a taxpayer's meal while travelling away from home if the taxpayer also buys a meal for a client. Expenses incidental to the taxpayer's attendance at the meal are also not deductible.

#### *Example*

*Joe is currently in America on an overseas business trip. Joe has dinner with his business client Fred. Joe pays for Fred's meal. Joe is not entitled to a deduction for any of the costs associated with his dinner with Fred, including the cost of his own meal.*

**Commissioner of Taxation**  
27/08/92

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