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## **Internal Revenue Code Section 274(a)(4)**

Disallowance of certain entertainment, etc., expenses.

(a) Entertainment, amusement, recreation, or qualified transportation fringes.

(1) In general.

No deduction otherwise allowable under this chapter shall be allowed for any item-

(A) Activity. With respect to an activity which is of a type generally considered to constitute entertainment, amusement, or recreation, or

(B) Facility. With respect to a facility used in connection with an activity referred to in subparagraph (A) .

(2) Special rules.

For purposes of applying paragraph (1) -

(A) Dues or fees to any social, athletic, or sporting club or organization shall be treated as items with respect to facilities.

(B) An activity described in section 212 shall be treated as a trade or business.

(C) Repealed.

(3) Denial of deduction for club dues.

Notwithstanding the preceding provisions of this subsection , no deduction shall be allowed under this chapter for amounts paid or incurred for membership in any club organized for business, pleasure, recreation, or other social purpose.



(4) Qualified transportation fringes.

No deduction shall be allowed under this chapter for the expense of any qualified transportation fringe (as defined in section 132(f) ) provided to an employee of the taxpayer.

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