

Reg. Section 1.274-5T(b)(4)

Substantiation requirements (temporary)

(b) Elements of an expenditure or use—

- (1) In general. Section 274(d) and this section contemplate that no deduction or credit shall be allowed for travel, entertainment, a gift, or with respect to listed property unless the taxpayer substantiates the requisite elements of each expenditure or use as set forth in this paragraph (b).
- (2) Travel away from home. The elements to be provided with respect to an expenditure for travel away from home are—
 - (i) Amount. Amount of each separate expenditure for traveling away from home, such as cost of transportation or lodging, except that the daily cost of the traveler's own breakfast, lunch, and dinner and of expenditures incidental to such travel may be aggregated, if set forth in reasonable categories, such as for meals, for gasoline and oil, and for taxi fares;
 - (ii) Time. Dates of departure and return for each trip away from home, and number of days away from home spent on business;
 - (iii) Place. Destinations or locality of travel, described by name of city or town or other similar designation; and
 - (iv) Business purpose. Business reason for travel or nature of the business benefit derived or expected to be derived as a result of travel.
- (3) Entertainment in general. The elements to be proved with respect to an expenditure for entertainment are—
 - (i) Amount. Amount of each separate expenditure for entertainment, except that such incidental items as taxi fares or telephone calls may be aggregated on a daily basis;
 - (ii) Time. Date of entertainment;
 - (iii) Place. Name, if any, address or location, and destination of type of entertainment, such as dinner or theater, if such information is not apparent from the designation of the place;

(iv) Business purpose. Business reason for the entertainment or nature of business benefit derived or expected to be derived as a result of the entertainment and, except in the case of business meals described in section 274(e)(1), the nature of any business discussion or activity;

(v) Business relationship. Occupation or other information relating to the person or persons entertained, including name, title, or other designation, sufficient to establish business relationship to the taxpayer.



(4) Entertainment directly preceding or following a substantial and bona fide business discussion. If a taxpayer claims a deduction for entertainment directly preceding or following a substantial and bona fide business discussion on the ground that such entertainment was associated with the active conduct of the taxpayer's trade or business, the elements to be proved with respect to such expenditure, in addition to those enumerated in paragraph (b)(3) (i), (ii), (iii), and (v) of this section are—

(i) Time. Date and duration of business discussion;

(ii) Place. Place of business discussion;

(iii) Business purpose. Nature of business discussion, and business reason for the entertainment or nature of business benefit derived or expected to be derived as the result of the entertainment.

(iv) Business relationship. Identification of those persons entertained who participated in the business discussion.