

**NEW JERSEY DIVISION OF TAXATION
REGULATORY SERVICES BRANCH
TECHNICAL BULLETIN**

TB – 37(R)

ISSUED: 2-3-06

TAX: CORPORATION BUSINESS TAX

**TOPIC: TREATMENT OF MEALS AND ENTERTAINMENT EXPENSES
ON FORM CBT-100S**

A New Jersey S corporation is permitted to deduct 50% of meals and entertainment expenses not deductible for Federal purposes in computing the New Jersey S corporation income that is passed through to its shareholders. An entry should be made on Schedule K, Part II, Line 6(d) of Form CBT-100S to reflect the 50% of meals and entertainment expenses not deductible for Federal tax purposes.

In computing the New Jersey Corporation Business Tax for an S corporation, any meals and entertainment expenses that are not deductible for Federal purposes would not be deductible in computing New Jersey entire net income. However, the expenses that were not deductible would be reported on Schedule C, Line 5(c), of the CBT-100S as a block expense not deducted on the tax return being filed.

Note: A Technical Bulletin is an informational document designed to provide guidance on a topic of interest to taxpayers and describe changes to the law, regulations, or Division policies. It is accurate as of the date issued. However, taxpayers should be aware that subsequent changes in the Tax Law or its interpretation may affect the accuracy of a Technical Bulletin. The information provided in this document does not cover every situation and is not intended to replace the law or change its meaning.