



Treatment of Meals and Entertainment Expenses on Form CBT-100S

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Tax: Corporation Business Tax

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 on the tax return being filed.

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