

Client Gift Expenses and their Tax Deductibility

If you provide a gift to a client, depending on the type of gift it may be completely deductible, or only 50% deductible.

If the gift is in the nature of “entertainment”, such as food and wine, it will be 50% deductible.

You may find the following table useful to determine the deductibility of your various client gifts.

| Client Gift | 50% deductible | 100% deductible |
|------------------------------------|-----------------------|------------------------|
| Bottle of wine or six pack of beer | ✓ | |
| Meal voucher | ✓ | |
| Basket of gourmet food | ✓ | |
| Box of chocolates/biscuits | ✓ | |
| Christmas ham | ✓ | |
| Calendar | | ✓ |
| Book or gift voucher | | ✓ |
| Tickets to a rugby game | | ✓ |
| Movie tickets | | ✓ |
| Presents (not food or drink) | | ✓ |