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DEDUCTING THE COST OF SPORTING / ENTERTAINMENT EVENT TICKETS BY: JIM GENTRY, CPA

The amount paid for sporting or other entertainment event tickets must meet several conditions to be considered deductible as a business expense. First, business must be conducted with a customer at some point before, during or after the event. A summary of the business performed should be documented as well as all in attendance. In general, tickets for spouses can also qualify as a business expense but not for family members. The deduction for the business portion of tickets, food and beverage is limited to 50%. The nonbusiness portion is either nondeductible or is considered compensation.

The cost of tickets given to customers is not considered a business expense but rather a gift. The deduction for such gifts is limited to \$25 per person per year.