

111TH CONGRESS  
1ST SESSION

# H. R. 3952

To amend the Internal Revenue Code of 1986 increase the amount allowable as a deduction for meals and entertainment expenses of small businesses.

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## IN THE HOUSE OF REPRESENTATIVES

OCTOBER 28, 2009

Ms. TITUS (for herself, Mr. OLSON, Ms. BERKLEY, Mr. HALL of New York, Mr. PAUL, Mrs. McMORRIS RODGERS, and Mr. MANZULLO) introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 increase the amount allowable as a deduction for meals and entertainment expenses of small businesses.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Helping Small Busi-  
5 nesses Grow and Prosper Act of 2009”.

1 **SEC. 2. INCREASED MEALS AND ENTERTAINMENT EXPENSE**  
2 **DEDUCTION FOR SMALL BUSINESSES.**

3 (a) IN GENERAL.—Subsection (n) of section 274 of  
4 the Internal Revenue Code of 1986 is amended by adding  
5 at the end the following new paragraph:

6 “(4) INCREASED PERCENTAGE FOR SMALL  
7 BUSINESS EXPENSES.—

8 “(A) IN GENERAL.—In the case of ex-  
9 penses or items described in paragraph (1) paid  
10 or incurred by the taxpayer in carrying on an  
11 eligible trade or business, such paragraph shall  
12 be applied by substituting ‘80 percent’ for ‘50  
13 percent’.

14 “(B) ELIGIBLE TRADE OR BUSINESS.—

15 “(i) IN GENERAL.—For purposes of  
16 subparagraph (A), the term ‘eligible trade  
17 or business’ means, with respect to any  
18 taxable year, a trade or business (whether  
19 or not incorporated) which employed an  
20 average of less than 50 employees on busi-  
21 ness days during the taxable year.

22 “(ii) CONTROLLED GROUPS.—For  
23 purposes of clause (i), all persons treated  
24 as a single employer under subsection (b),  
25 (c), (m), or (o) of section 414 shall be  
26 treated as a single employer.”.

1           (b) **EFFECTIVE DATE.**—The amendment made by  
2 this section shall apply to expenses paid or incurred after  
3 the date of the enactment of this Act.

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