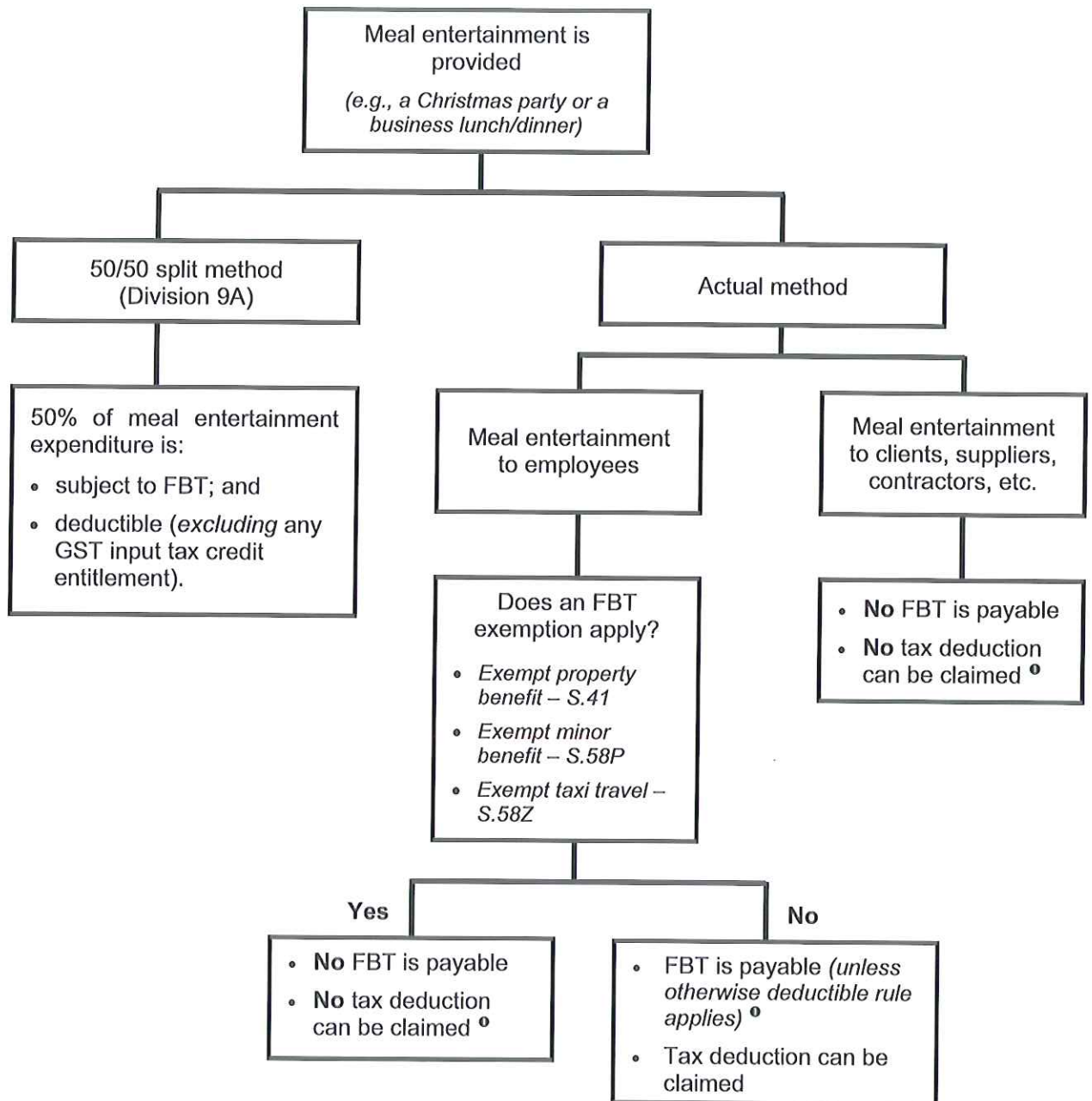


3.1 Meal entertainment flowchart – the actual method and the 50/50 split method

The following flowchart provides an overview of the general FBT and income tax consequences of meal entertainment expenditure under the actual method and the 50/50 split method.

For GST purposes, GST input tax credits can generally **only** be claimed (for any GST paid) in respect of meal entertainment expenditure to the extent to which a tax deduction is available.



❶ A tax deduction **can** be claimed (or the 'otherwise deductible rule' may apply) where one of the exceptions in Division 32 of ITAA 1997 applies. For example, where meal entertainment is provided in connection with any of the following:

- an eligible 'seminar';
- a promotional event; or
- an in-house dining facility.