

Non-taxable Meals versus Taxable meals

Meals not involved with overnight trips are considered taxable unless the primary purpose of the meal was to discuss Extension business. It is the traveler's responsibility to identify each meal (not involved with an overnight trip) where the primary purpose of the meal was to discuss or carryout Extension business.

Examples of meals not involved with overnight trips that will be non-taxable. In all examples the primary purpose of the meal is to discuss business.

1. A field specialist travels from his base county to another county he serves. He returns phone calls to clients during the morning and prepares for an afternoon meeting he will be conducting in conjunction with the County Director. He eats the noon meal with the County Director. The primary purpose of the meal is to finish coordinating and planning for the afternoon meeting.
2. A traveler attends an Area staff meeting in Ottumwa. Lunch is on the premises and is included as part of the registration fee. The meal is not taxable, as it is part of the registration fee.
3. An Extension employee travels from her base in Cedar Rapids for a morning meeting with a client in Swisher. Their meeting extends over the lunch hour and business continues to be discussed during lunch.
4. An Area Director travels to a county to meet with a County Director to talk about program planning for the county. They have lunch together and spend the lunch hour talking about program planning. The meal is non-taxable because the primary focus of the meeting is business related. If, however, program planning was discussed minimally and the meal was primarily social, it would be taxable !!
5. A field specialist travels to another county to make a presentation at a noon Rotary meeting. She pays \$6.50 for the noon meal. Since the primary purpose for her being at the meal was to make a presentation, the cost of the meal is non-taxable.
6. An Extension employee from Sioux City attends a two day seminar in Ames and incurs meal expenses before, during and after the hours of the seminar. Since this trip requires overnight travel, the meals would **not** be taxable.

Examples of meals not involved with overnight trips that will be taxable. In all examples the primary purpose of the meal is not to discuss business.

1. A traveler attends a training session in Des Moines. Lunch is not provided as part of the registration fee, so the traveler goes to a local restaurant for lunch (either alone or with other attendees) before returning to the afternoon training session.
2. An Extension employee travels from her base in Cedar Rapids for a morning meeting with a client in Swisher. After the conclusion of the meeting, the Extension employee has lunch alone before meeting with another client in the afternoon.
3. An Extension employee travels from her base in Cedar Rapids to meet with a client in Swisher. Their meeting lasts until noon, at which time they break, but have lunch together. The lunch is primarily social; little business is discussed. Conclusion = this meal is taxable because the primary purpose of the meal was not to discuss business.
4. A staff meeting is held in Atlantic for the Southwest Area. At 11:45 the meeting breaks and staff go to local restaurants to eat lunch. The meeting reconvenes at 1:00 for the afternoon session. Conclusion = the meal would be taxable, because it would be presumed that staff would be primarily socializing, not primarily conducting business during the meal.
5. A field specialist travels from his base county to another county he serves. During the morning he returns phone calls and prepares a newsletter. The County Director happens to be eating at a local restaurant at noon and invites the field specialist to join him. They both return to the office to work in the afternoon. Conclusion = the meal would be taxable, because it would be presumed that staff would be primarily socializing, not primarily conducting business during the meal.
6. A staff member leaves late in the morning for a meeting with a client in another county. He stops on the way to eat lunch.