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"We help you get your life back from the IRS!"

# IRS TAX CHALLENGER NEWS

DEDICATED TO IRS TAX PROBLEM RESOLUTION

[www.TheTaxSolvers.com](http://www.TheTaxSolvers.com)

## AUGUST IS THE TIME FOR BACK TO SCHOOL BACK TO BASICS-BUSINESS MEALS AND DOCUMENTING THEM



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It's hard to believe school has already started. It seems like summer has been a quick recess. (Do they really have them anymore?) In the spirit of "Back to School," let's go back to the basics, business meals and entertainment. (A good non-business desert related item is our pie crust recipe this month! Check it out on the other page.)

To be a business meal, you must in fact be having that meal for business reasons. You cannot simply decide that what you will do is go out and eat with your buddy and then claim it as a business meal. There must be a true underlying business reason for the meal. Two tests can be used to determine if its business related. First, there is the "directly-related" test. As the name implies, business is actively conducted and you have more than a general expectation of getting some business benefit in the future. Example, you meet over lunch with a business prospect to discuss the various products or services that you provide. You expect that as a result of that meeting, you will make a sale in the future or that you will be hired to provide services. This meets the "directly-related" test. Since the business discussion was a "substantial business discussion" – substantial in relation to the meal, it is directly-related to you seeking to obtain a business transaction.

Second, there is the "associated" test. Even if the expense does not meet the "directly-related" test, it still can be deductible. To meet the "associated" test it has to be associated with the active conduct of your trade or business. It also has to be directly before or after a substantial business discussion. There has to be a clear business purpose for having the expense. Example, you entertain business associates who have come from out of town to your place of business to hold substantial business discussions. You take them out to dinner the night before the discussions. It meets the "associated" test. We have discussed meals; the same tests also apply to other forms of entertainment.

So, how do you document a business meal expense? When you get the bill and you pay it, take your receipt. Turn it over, write on the back of it the date, the amount of the expense, who was present (including yourself), and the business purpose of the meal. Keep the receipt. Also, remember that lavish or extravagant expenses are not allowed. Finally, keep in mind that in general you can only deduct 50% of your business-related meal.

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*We Take Pride in Wishing our Mother and Father  
a Happy Wedding Anniversary*



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## Thoughtful Things

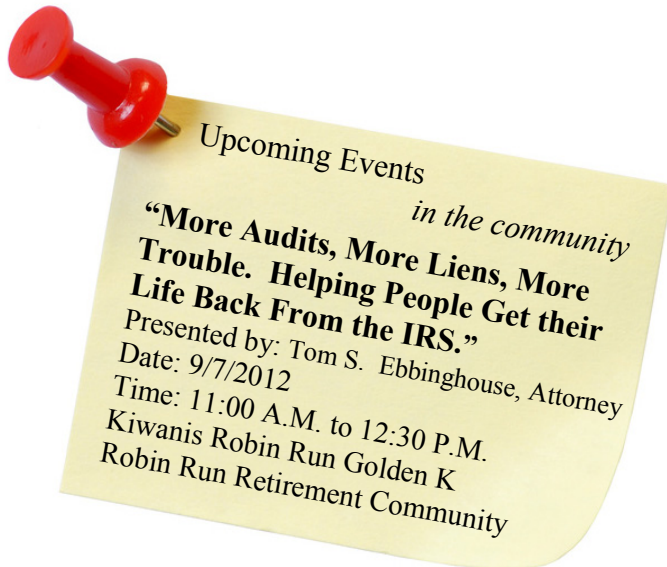
“By failing to prepare, you are preparing to fail.”

Benjamin Franklin

## Thank You For Your Referrals!

We appreciate your referrals. As you know, we represent people in tax audits, payment plans, offers in compromise, innocent spouse and many other IRS problems. It really makes our day when you have referred someone to us. It is the ultimate compliment. We highly value your trust and will take care of everyone you send us. You are doing them a favor telling them about our services and us a favor too by sending us quality people we enjoy helping.

This publication is intended to educate the general public about IRS Tax Problem Resolution. It is not intended to be legal advice. Every case is different.



Tom's mother-in-law (Joan Doloris) is a fantastic cook and he wanted to share her recipes with you. Each month we will feature great down home comfort food for you to enjoy.

## Doloris's Divine Dishes



## OLD FASHIONED PIE CRUSTS PART ONE

Enjoy this three-part series on pie crusts  
Look forward to the Classic Crisco Pie Crust in September  
&  
Lard Pie Crust in October

### Graham Cracker Crust

1 1/2 cups finely ground cracker crumbs  
1/3 cup white sugar

6 Tbs butter, melted  
1/2 tsp ground cinnamon  
(optional)

1. Mix graham cracker crumbs, sugar, melted butter, and cinnamon until well blended. Press mixture into an 8 or 9 inch pie plate.
2. Bake at 375 degrees for 7 minutes.
3. Cool
4. If recipe calls for unbaked pie shell, just chill for one hour.

