



Allowable Owner Fringe Benefits

As of 12/31/2023

Benefit	Description	Amount
Auto Expense	<ul style="list-style-type: none"> <input type="checkbox"/> Similar to any corporate provide car, a company can 'provide' a car for the benefit of its employees, including ownership. <input type="checkbox"/> Auto leases or actual purchases of vehicles can qualify. If the vehicle is purchased individually (e.g. not in the company) it can be treated as a contribution / expense reimbursement. 	Value of Vehicle and actual expenses or auto expense reimbursement.
Annual Meeting / Strategic Planning Retreats	<ul style="list-style-type: none"> <input type="checkbox"/> Each company should have annual stakeholder meetings and best practice would be to have recurring strategic planning meetings. <input type="checkbox"/> As many companies do – a 'destination themed' meeting can be deducted – e.g. the annual meeting occurs in Miami, FL – thus reasonable travel / lodging expenses can be reimbursed. <input type="checkbox"/> If no trip is actually taken – utilizing the Augusta Rule a home could be rented at an equivalent VRBO rate with the expense deducted and no corresponding income to the owner. This can also be utilized for team holiday parties, summer BBQs, etc. 	Reasonable qualifying expenses (e.g. it would be hard to justify that a strategic planning retreat spanned a two week European vacation – however travel to and from with one day of expense could be supportable) VRBO Rate X Days for Augusta Rule if home expense
Meals / Entertainment	<ul style="list-style-type: none"> <input type="checkbox"/> Meals are considered deductible expenses. Often times when an owner / spouse work together, the topic of conversation at 'dinner' is work. These expenses can be deducted. <input type="checkbox"/> While entertainment is generally not deductible – the exception is when it is a gift (subject to the threshold limits) and when it's in conjunction with a meeting of shareholders / key stakeholders. 	
Kids as Employees	<ul style="list-style-type: none"> <input type="checkbox"/> Any child can be employed by a parent for services performed – which can include modeling fees for social media posts. <input type="checkbox"/> Children below 18 are not subject to FICA tax – although if the employer is an S-Corp – there are some work arounds required. 	Up to standard deduction for zero tax rate.

Benefit	Description	Amount
Home Office	<input type="checkbox"/> If a home office is utilized for the benefit of the employer – associated expenses can be deducted.	SQ Foot X Expenses
Educational Assistance	<input type="checkbox"/> If higher education / continuing education is utilized for the purposes of acquiring new skills for a new / expanded role or to keep current in a current role. Can't be utilized to meet minimal educational requirements.	
Vacation Home	<input type="checkbox"/> Similar to the annual meeting / strategic planning meeting – the 'destination' could be an owner-owned vacation home paid for at a market rate rent. <input type="checkbox"/> If the vacation home is used in lieu of lodging for customer visits, business development (e.g. a home in Charleston, SC is used while calling on customers in SC) self rental expenses can be deducted.	VRBO Rate X Days
Boat (RV, Aircraft)	<input type="checkbox"/> Works like Vacation Home if there is a business purpose – for example, if you take employees out for a performance evaluation on your boat – that could qualify.	Market Rental Rate X Days
Spousal Retirement	<input type="checkbox"/> If Spouse works for you and is not in another retirement plan with another employer, spouses pay is eligible to be deferred into a retirement plan.	Individual deferral limits including catch up.
Club Dues	<input type="checkbox"/> While club dues (e.g. golf) are not deductible, if you are conducting a meeting within a short time frame (e.g. same day) of playing golf, the round itself or fair value of the round can be deductible.	