



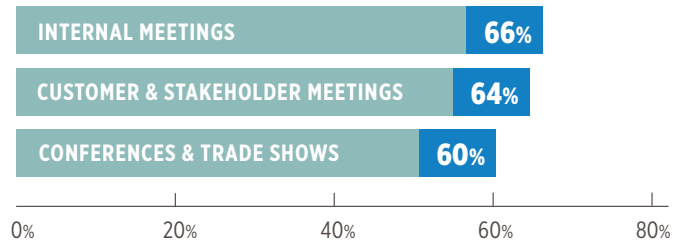
SERVICE WORKER ECONOMIC STABILIZATION ACT (H.R.9231)

Recent surveys show **most business travelers expect to travel less** over the next six months than before the pandemic, mostly due to shrinking travel budgets.

- The tax code's discriminatory treatment of business meals and entertainment-related expenses adversely affects travel budgets and per diems, compared to other types of ordinary business expenses.

MOST EXECUTIVES EXPECT LESS TRAVEL SPENDING THAN 2019

(Share that expects less travel spending over the next six months vs. 2019)



The Service Worker Economic Stabilization Act (H.R. 9231) would remove disincentives in the tax code that discourage companies from spending on in-person meetings and business travel.

- **In depth:** Section 274 of the tax code restricts the deductibility of business meals and entertainment-related expenses, preventing businesses from treating them the same as videoconferencing services or other ordinary businesses expenses under Section 162.
- **Specifically, the bill would allow** companies to fully deduct the amount they spend on food services, and up to half the amount they spend on entertainment services, in 2023 and 2024.
- **The types of businesses that could benefit** from the bill include restaurants, caterers, hotels, music venues, performing arts centers, minor league sports and many others.

Digging deeper: Business customer spending sustains many hospitality businesses during the week when leisure customer spending is soft or nonexistent.

- **Business customers often spend more** and tip more than leisure customers.
- **The return of business customer spending** could help attract more workers to the industry, and help businesses make up for over 2 years of economic losses.

ECONOMIC ANALYSIS

According to Tourism Economics, the bill would increase revenue at travel businesses that offer food or entertainment services by about **\$70.4 BILLION** over the next two years, many of which are small businesses:

- **72%** of food service businesses and **50%** of entertainment service businesses are **small businesses**.

The bill would lead to a total gain of \$62.1 BILLION in household income for food service and entertainment venue workers, 86% of which do not have a college degree. (Data as of October 2022)

At a time when the food service and entertainment service sectors are in dire need of help to deal with workforce and supply chain issues, as well as an expected recession, Congress should work to reduce or eliminate any discriminatory treatment in the tax code that works to depress business spending at restaurants and entertainment venues.

PLEASE SUPPORT THE SERVICE WORKER ECONOMIC STABILIZATION ACT.