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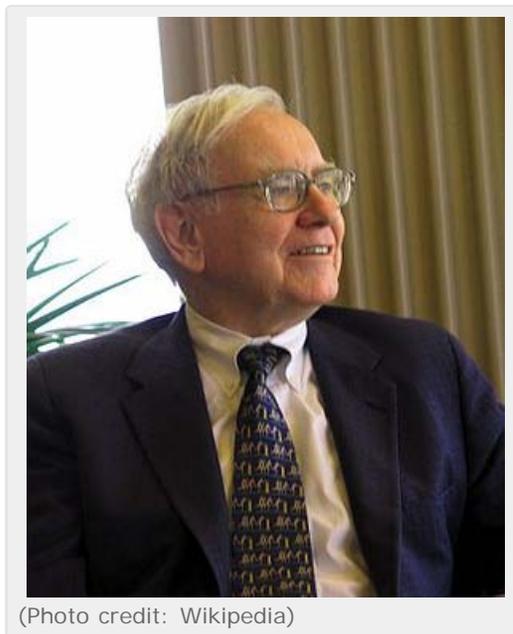
### Should Warren Buffett's \$3.46M Lunch Be Tax Deductible?

About taxes, John F. Kennedy once said, “The slogan—‘It’s deductible’—should pass from our scene.” (Special Message to Congress on Taxation, Apr. 20, 1961.) JFK was commenting about expense accounts and business entertainment in the Mad Men era of the three martini lunch. However, his message had broader implications even then.

More than 50 years later, it’s still timely. In fact, “It’s deductible” can sound downright obnoxious. Someone else—taxpayers—will foot part of the bill, so spend freely, it suggests.

What about the \$3.46M an anonymous donor paid to lunch with Warren Buffett? **That’s** an expensive meal. No one can deny that the lunch is to support a good cause—tax-exempt [Glide Memorial Church](#) in San Francisco. But it’s **still** expensive.

Laura Saunders notes in the [Wall Street Journal](#) that if you work out the value of a tax deductible \$3.46M, taxpayers are paying \$1.2 Million so



someone can eat with Buffett. Glide will have to send the donor a letter saying how much is tax-deductible, which depends on the value of the meal. If the food and service costs \$100, everything else should be a donation to charity.

This is standard practice at charity auctions and other events. If you pay \$250 for something worth only \$100, you have a \$150 deduction. The Buffett lunch is for up to 8 people including Buffett, the donor, and up to six guests. So maybe the lunch is worth \$1,000?

No matter how fancy a restaurant, most of the \$3.46M should still be deductible. Oddly enough, Buffett's presence—or any celebrity's—isn't treated as having a value. Although Buffett's investment advice might be priceless, this lunch excludes investment discussions.

Yet as a practical matter, the lunch might have a **huge** value for the donor. Want proof? The donor who bought lunch with Buffett last year now helps manage Berkshire Hathaway's Investment Portfolio. See [What Return Does Lunch With Warren Buffett Yield?](#)

Generally, the tax law says you can deduct reasonable business expenses, but not lavish or extravagant ones. So how can this be deductible? The charity context is different.

Tax lawyers may view the world myopically, but taxes play an integral part in most business decisions. After all, a payment deductible against current income is more desirable than one devoid of tax benefits. How could it be otherwise?

For more, see:

[Why Americans Want a Buffett Tax](#)

[Clint Says Manning v. Brady? Think Zuckerberg v. Buffett](#)

[In Taxes, Kim Kardashian is More Buff Than Buffett](#)

[Strange But Legit Tax Deductions](#)

[Tax Tips On Tips From Mario Batali](#)

[Best Tax Deductions On Chopping Block?](#)

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