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MCCONNELL’S COVID AID PACKAGE BRINGS BACK TAXPAYER SUBSIDIES FOR THREE-MARTINI LUNCHES WHILE STIFFING HUNGRY FAMILIES

As Working Families Struggle to Afford Groceries, GOP Wants to Let CEOs Once Again Write Off Full Cost of Fancy Meals

WASHINGTON, D.C. – Senate Majority Leader Mitch McConnell’s latest coronavirus relief package sweetens the tax deduction big-shot executives can take for winning and dining their colleagues and customers, while providing no new assistance to hungry families such as a boost in benefits under the Supplemental Nutrition Assistance Program (SNAP).

Currently, only half the cost can be written off for such business meals, long-ago tagged as “the three-martini lunch.” Included among McConnell’s collection of COVID bills is one that would make them fully deductible till the end of this year, bowing to the desires of President Trump.

“Inclusion of this wasteful tax break is a gimme to President Trump, a token replacement for his misguided payroll tax that thankfully has not been included in Senator McConnell’s woefully inadequate COVID aid package. It is not a serious solution to the crisis facing millions of restaurants and their employees across the country,” said Frank Clemente, executive director of American for Tax Fairness. “People need help, not Trump vanity projects.”

There are several reasons why Trump’s proposal incorporated in McConnell’s package is a bad policy, a giveaway to special interests and self-interested deal making:

Restaurants are suffering from the uncontrolled pandemic, not because business executives cannot fully deduct the cost of eating there. People don’t want to eat in restaurants because they don’t want to get sick and spread the disease. Because of those well-founded fears—plus the enforced business closures earlier in the pandemic—restaurant traffic in the U.S. is down by over half from this time last year. While restaurant volumes rebounded after states began to open back up, they’re now declining again in regions where the virus remains unchecked. Beating back covid-19—as successfully as much of the rest of the industrialized world has managed to do—is the best way to help the restaurant industry and its employees.

Expanding this tax break would mostly help the tiny portion of the industry that caters to lobbyists and corporate executives. President Trump became fixated on expanding the meals and entertainment expense deduction after being lobbied by a group of celebrity chefs. It’s the kind of high-end venues that feature celebrity chefs where you’ll find lobbyists and business executives writing off the cost of meals—not mom-and-pop diners on Main Street. Perhaps it is
for this reason Senate Finance Committee Chairman Grassley—generally a proponent of business tax cuts—said about this deduction, “if it’s proposed, I’m opposed.”

**More Trump Self-Dealing.** Trump stands to benefit personally from this special-interest tax break as some of the businesses that could benefit are Trump’s family operation, which includes hotels, golf clubs and resorts, often with high-end restaurants on site. Indeed, one of the celebrity chefs who originally lobbied Trump for the deduction—Jean-Georges Vongerichten—operates his eponymous flagship restaurant in the Trump International Hotel and Tower in New York.