



MEMORANDUM

205 Grandview Ave., Suite 207 • Camp Hill, PA 17011
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To: Pennsylvania Local Association and Executive Officers
From: Daniel E. Durden, PBA Chief Executive Officer
Re: 2022 Portion of Non-Deductible Dues
Date: October 25, 2021

Under the Omnibus Budget Reconciliation Act of 1993, lobbying expenses are not deductible for federal income tax purposes. Dues paid to associations also are non-deductible to the extent of the association's lobbying expenditures. According to the Act, a percentage of each member's dues are classified as non-deductible based upon the relationship between total lobbying expenses and total dues income. Because PBA falls under these guidelines, we are required to notify our members of the portion of their \$180.00* payment of dues and IAF assessment that is not deductible based upon these calculations.

****Note that the \$20 Industry Action Fund assessment is included in this amount and in the calculation of the non-deductible dues portion.***

For 2022 PBA estimates the portion of dues that is not deductible is \$64.80 or 36% of total dues and IAF assessment. An individual member who claims a deduction for dues to PBA on his or her tax return may only deduct **\$115.20** (\$180.00 - \$64.80 = \$115.20).

Suggested language to be included with your dues statement follows:

Dues payments to [local association name] are not deductible as charitable contributions for federal income tax purposes. However, dues payments may be deductible as ordinary and necessary business expenses subject to the exclusion for lobbying activity. Because a portion of your dues is used for lobbying by NAHB and PBA, [\$ amount based on your total dues] is not deductible for income tax purposes.

Please consult with your tax advisor if you are unsure of how to calculate or determine any non-deductible amounts relating to your local dues portion. If you have any questions regarding this memo, please do not hesitate to contact me at 717-730-4380 extension 3020.

