DATE:September 13, 2024

TO: BOMA Local Association Executives

RE:2025 Dues Non-Deductibility

MEMBERSHIP DUES NON-DEDUCTIBILITY ALERT

The percentage of non-deductible BOMA International dues for 2025 invoicing purposes

is **10.08%**. Please complete the worksheet below to determine your local associations' non-deductible calculation and include the percentage on your local invoice.

1) What is your total estimate of 2025 dues income?$94, 000________

2) What is your 2025 estimated BOMA International dues obligation? $_____43, 000___

3) Multiply 10.08**%** x $<Answer from #2> = $____4,334____

This amount equals the portion of BOMA International dues that are non-deductible.

4) What expense does your local association incur for all state and federal (do not include Answer #3) lobbying purposes, as defined below? $____0____

The definition of lobbying includes any attempt to influence federal or state legislation through communication with any member or employee of a legislative body, or government official who assists in developing the legislation, participation in a political campaign, grass roots lobbying, certain direct communications with high ranking federal executive branch officials, and any amounts paid for research, preparation, planning, or coordination of any lobbying activity. It does not include local lobbying efforts.

Note: C.W. Amos & Company advised us that based upon current IRS criteria, BOMA's Industry Defense Fund (IDF) falls under the category of "Special Assessments" since it is used to finance lobbying activities that benefit the membership base. This means that the IDF expenses have already been included in the BOMA International calculation of the non-deductible dues percentage for 2025 invoicing purposes.

Since this amount has already been factored in the BOMA International non-deductible dues calculations, you should exclude these contributions from your total expenses for your local association.

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5) What amount of your overhead was associated with those lobbying expenses, such as paid staff time, supplies, paper, etc.? $_0_______

6) Answer #4 + #5= $____0____. This is the amount of the estimated 2025 lobbying expenses for your local association.

7) Answer #3 + #6 = $____0____. This is your total lobbying expense.

8) Answer #7 divided by #1 = _0.046106_______. This figure equals the percentage of dues that are non-deductible and must be printed on your 2025 dues invoices. (*Calculate percentage by moving decimal two places to the right.*). ***4.61 % for 2025***

The following language should be included on your local invoice:

As a result of changes adopted as part of the Tax Reform Act of 1993, (the final number of your calculation)% of your dues payment to BOMA is not deductible by members as an ordinary and necessary business expense.

If you do not have this on your invoice, it is possible that the IRS could charge your local what is called the "Proxy Tax", meaning that your association would be responsible for paying the taxes on the non-deductible portion of your members' dues.

If your local does no state or federal lobbying of its own, you still need to complete the worksheet since different locals have different dues levels. If you have any questions regarding this matter, please contact us at **membership@boma.org** and someone will call you back directly.

Please confirm this statement with your association accountant prior to including it on your 2025 dues invoices.

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