



MEMORANDUM

TO: KY Executive Officers

FROM: Anetha Sanford, CEO/EVP

SUBJECT: **Portion of Membership Dues is non-deductible in 2023**

Based on federal law passed by Congress in 1993, a portion of members' dues that are attributed to lobbying is not deductible as a business expense.

Therefore in 2023, the **Home Builders Association of Kentucky estimates that \$42 of your \$80 dues** is non-deductible due to HBAK lobbying efforts.

Additionally, the **National Association of Home Builders has declared that 18% or \$35.64 of the \$198 National Dues** is non-deductible due to federal lobbying efforts.

Dues payments to HBAK and NAHB are not deductible as charitable contributions for state and federal income tax purposes. However, dues payments may be deductible as ordinary and necessary business expense, subject to exclusion for lobbying activity.

We give you this information so that you can inform your members on their dues billings if you would like.

Feel free to contact me if you have any questions.

Please note: the estimated non-deductible portion of HBAK dues for 2022 was \$42.