



# California Metals Coalition

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## **Tax Information: SUPPORTING THE CALIFORNIA METALS COALITION**

The California Metals Coalition (formerly registered as the California Committee to Save our Jobs) is a 501(C)(6) non-profit trade organization (Federal Tax ID#95-4609615).

Non-profit organizations ruled tax exempt under section 501(c)(6) of the Internal Revenue Code commonly include business leagues, chambers of commerce, trade associations, real estate boards, and boards of trade. Contributions to 501(c)(6) organizations are not deductible as *charitable donations* for federal income tax purposes. **Donations may be deducted as a business expense if they are "ordinary and necessary" in the conduct of the taxpayer's business.**

## **TAX CODE REFERENCE:**

IRC Section 162 relates primarily to trade and business expenses. **Section 162(a)** states three primary guidelines for making deductions of expenses. Supporters of the California Metals Coalition commonly use section (1) listed below. The code specifically states:

"There shall be allowed as a deduction all the ordinary and necessary expenses paid or incurred during the taxable year in carrying on any trade or business, including (1) a reasonable allowance for salaries or other compensation for personal services actually rendered; (2) traveling expenses (including amounts expended for meals and lodging other than amounts which are lavish or extravagant under the circumstances) while away from home in the pursuit of a trade or business; and (3) rentals or other payments required to be made as a condition to the continued use or possession, for purposes of the trade or business, of property to which the taxpayer has not taken, or is not taking title, or in which he has no equity."

## **PERCENTAGE OF FEES FOR DEDUCTION:**

The California Metals Coalition provides numerous personal services to its members. We have been advised by our accountant that the portion relating to *lobbying expenses* is probably not deductible as a business expense. CMC estimates 38% of the fees CMC received were spent on lobbying expenses. Therefore, 62% of CMC member fees would probably be considered deductible.

**This is not tax advice. If you plan to deduct any of the CMC fees you have paid, you must consult a tax professional (CPA or attorney) licensed in California.**