



## IMPORTANT TAX INFORMATION

January 20, 2017

Dear PVMA Member:

As you may be aware, Pennsylvania Veterinary Medical Association dues may not be deducted on your federal income tax return as a charitable expense, but a portion of them may be deducted as a business expense.

As a 501(c)(6) organization under the tax codes, the Pennsylvania Veterinary Medical Association is subject to a rule stipulating that the portion of a member's dues which supports broadly defined "lobbying activities" may **not** be deducted by the member as a business expense. **For 2016 tax purposes, this amount is 7.32% of the dues you paid to the Pennsylvania Veterinary Medical Association, whatever that amount may be. Conversely, you may deduct up to 92.68%.** For 2016, you may apply these percentages against the dues amount you actually paid.

If you pre-paid your 2017 dues in 2016 and your tax returns are calculated on an accrual basis, do not take the business deduction for the 2017 dues until you file your 2017 return. You will receive notice of the allowable amount for 2017 in mid-January 2018. On the other hand, if your tax returns are calculated on a cash basis and you pre-paid 2017 dues in 2016 you may include them (after subtracting 7.32%) on your 2016 return.

If you have any questions about the Pennsylvania Veterinary Medical Association dues amount you paid in 2016 please feel free to call our office at 1-888-550-7862. However, please contact your accountant or tax advisor for specific tax advice.

Best wishes for a prosperous and happy new year.

Sincerely yours,

Sherrill Davison, VMD  
Secretary-Treasurer