BABA Fly-In Ethics Primer

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There is no restriction on lobbying by a U.S. citizen, corporation or other entity.  There are registration and disclosure requirements if a three-part threshold is met.  An entity must register under the Lobbying Disclosure Act only if the following is true:

* The entity spends $14,000 in a calendar quarter on lobbying activity; and
* An employee of the entity spends 20% of his/her total time on behalf of the entity engaged in lobbying activity during the quarter; and
* The same employee makes at least two contacts with covered federal officials

The attendees might make two or more contacts during the Fly-In, and the entity might be spending more than $13,000 quarterly on lobbying activity if it has a government affairs office, but the third threshold (20% of the individuals time is spent on lobbying activity) would not be met so the employee attending the Fly-In would not in itself trigger any LDA registration for the attendee or his/her employer.

* If the employee is already spending 20% of his/her time on lobbying activity, then the employer is likely already registered, and the attendee may already be a listed as a lobbyist under LDA.

There are federal tax consequences for lobbying.

* A corporation cannot deduct the costs it incurs for lobbying (including employee salary, overhead etc.) on its corporate tax return.
* A tax-exempt business organization (c6) must report its lobbying expenses to the IRS on its 990 tax return and must tell its membership the share of dues that were utilized for lobbying.
* A tax-exempt charity (c3) cannot spend more than an insignificant share of its revenue on lobbying and must report the amount of lobbying on its 990 tax return.