

Resolution No. 3

Date: 6/6/2015

City: Washington, DC

NAHB Resolution

Title: Preservation of Tax-Exempt Status for Trade Associations
Sponsor: Federal Government Affairs Committee
Submitted by: Carl Harris

WHEREAS, Congress is considering comprehensive changes to the tax code;

WHEREAS, the National Association of Home Builders is a tax-exempt organization under section 501(c)(6) of the Internal Revenue Code;

WHEREAS, the over 800 state and local associations that comprise the federation are also tax-exempt organizations;

WHEREAS, NAHB and the state and local associations of the federation rely on non-dues revenue to support the mission and activities of the federation and its membership;

WHEREAS, the tax code generally exempts from taxation income from activities related to the tax-exempt purpose of a trade association;

WHEREAS, Congress has contemplated changes as part of tax reform that could classify certain non-dues revenue as “unrelated business income,” making that revenue taxable;

WHEREAS, any changes to how association revenue is taxed will affect negatively not only NAHB, but all state and local associations that rely on non-dues revenue;

WHEREAS, a trade association may participate in political advocacy as part of its mission to promote the common business interest of its members; and

WHEREAS, the Treasury Department is currently reviewing and drafting rules regarding political activity and tax-exempt organizations organized under section 501(c)(4), which could potentially expand to include trade associations operating under 501(c)(6),

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NOW, THEREFORE, BE IT RESOLVED that the National Association of Home Builders (NAHB) support efforts to maintain the current rules regarding tax-exempt income and unrelated business income.

BE IT FURTHER RESOLVED that NAHB support efforts to defend the tax-exempt status protections for trade associations and their ability to engage in political advocacy.

Board of Directors Action:

Approved

Executive Board Action:

Recommends Approval

Resolutions Committee Action:

Recommends Approval

Federal Government Affairs Committee Action:

Recommends Approval

Taxation Subcommittee of the

Federal Government Affairs Committee Action:

Recommends Approval