



To: Local Association Executives
From: Alan Leichtle
Subject: Dues and RPAC Disclosures – 2024
Date: August 23, 2023

Local Associations are reminded about Federal laws as related to disclosures which must appear on member dues billing notices. For 2024, NAR computes 35% or \$55 and SCR computes 25% or \$35.00 to be nondeductible for the member's income tax due to NAR and SCR lobbying efforts.

1. Dues Disallowance for Lobbying Deductions

IRS Rules require that all dues bills include reference to that portion of dues spent on lobbying expenses. Each dues bill should contain the following language:

"Compliance with the Tax Reform Act of 1993, as amended by the Tax Cuts and Jobs Act of 2017, requires that the portion of dues attributable to lobbying and political activities at the Local, State and Federal levels of government be considered nondeductible for income tax purposes:

NAR	\$55.00
SCR	\$35.00
Local	\$ _____
Total	\$ _____

2. Code of Ethics Training Three Year Cycle

I urge you to include the following reminder on all due's bills:

Effective January 1, 2022, through December 31, 2024, and for successive three (3) year periods thereafter, REALTORS® are required to complete a three-year cycle ethics training of not less than two (2) hours and thirty (30) minutes of instructional time. REALTORS® completing such training during any three (3) year cycle shall not be required to complete additional ethics training in respect of this requirement as a requirement of membership in any other Board or Association.

A REALTOR® completing the new member Code of Ethics orientation during any three (3) year cycle shall not be required to complete additional ethics training in respect of this requirement until a new three (3) year cycle commences.

Failure to complete the required periodic ethics training shall be considered a violation of a membership duty.

Failure to meet the requirement will result in suspension of membership for the first two months (January and February) of the year following the end of any three (3) year cycle or until the requirement is met, whichever occurs sooner. On March 1 of that year, the membership of a member who is still suspended as of that date will be automatically terminated.

3. RPAC Voluntary Contributions

All Boards are required to build RPAC contributions into your dues billing. Contribution levels may vary, but I'd recommend fair share levels of \$100 for Brokers and \$25 for everyone else. Always include the RPAC figure before the total. Where an RPAC contribution is shown on the dues bill you must include the following disclosure as well:

"Contributions to RPAC are not deductible for federal income tax purposes. Contributions are voluntary and are used for political purposes. The amounts indicated are merely guidelines and you may contribute more or less than the suggested amounts. The National Association of REALTORS® and its state and local associations will not favor or disadvantage any member because of the amount contributed or a decision not to contribute. You may refuse to contribute without reprisal or otherwise affecting your membership rights. Your contribution is

split between National RPAC and the State and Local PAC in your state. 40% of each contribution is used to support state candidates, 30% is used to support local candidates and 30% is sent to National RPAC. The National RPAC portion is used to support federal candidates and is charged against your limits under 52 U.S.C. 30116."

The above disclosures should appear in no less than 8-point type and can either be on the dues bill itself, or on a separate cover letter which goes out to members, and which explains the benefits of membership.

NAR has a New APP explaining the benefits of membership. Get yours now by visiting www.realtors.org.

- **SCR dues for 2024 will be \$140.**
- **ASSESSMENT FOR NEW MEMBERS:** The new member assessment for the legal action fund is \$25. This assessment applies to *new members only*, anyone who was not a member last year.
- **NAR dues for 2024 will be \$156, but you will need to add the \$45 assessment for the Consumer Advertising Campaign, for a total of \$201. Please note that the entire \$45 Consumer Advertising Campaign special assessment qualifies as fully deductible.**

NAR DUES INFORMATION

2024 National Dues

The NATIONAL ASSOCIATION OF REALTORS® dues are \$156 per member 2024. This amount is billed to all active REALTOR® and REALTOR® Associate members through their primary local association and is due and owing to NAR by Jan. 1. Brokers are also assessed NAR dues times the number of non-member salespersons, if any, in their office. National dues are pro-rated monthly for new members based on the join date. This proration only applies in the calendar year the member joins NAR. Thereafter, full year dues are due and owing by January 1. The waiver of NAR dues for REALTORS® and their spouses called up from reserves to active-duty deployment approved for the 2003 dues after the 9/11/01 tragedies, has been extended to cover dues for 2024. Please note that this does not apply to career military.

2024 NAR Special Assessment

The Special Assessment for the Consumer Advertising Campaign (formerly known as Public Awareness Campaign) is \$45 for 2024. The assessment is billed to all active REALTOR® and REALTOR® Associate members through their primary local association and is due and owing to NAR by Jan. 1. This assessment is not pro-rated. New members will owe the full amount when joining NAR. The Consumer Advertising Campaign special assessment is not charged to Institute Affiliate members, nor is it charged for non-members salespersons. It is also not charged for National REALTOR® Emeritus.

Nondeductible Dues

Compliance with the Tax Reform Act of 1993, as amended by the Tax Cuts and Jobs Act of 2017, requires that the portion of dues attributable to lobbying and political activities at the Local, State and Federal levels of government be considered nondeductible for income tax purposes. This nondeductible portion must be disclosed to members on their dues invoice each year.

For **2024**, with dues at \$156 per member, NAR computes 35 percent or \$55 to be nondeductible for the member's income tax purposes due to NAR lobbying efforts. Please note that the entire \$45 Consumer Advertising Campaign special assessment qualifies as fully deductible.

In addition, contributions (including member dues) to NAR are not tax deductible as charitable contributions. However, they may be tax deductible under other provisions of the Internal Revenue Code.

Remember, for those of you who may combine both the dues for 2024 (\$156) and Consumer Advertising assessment (\$45) into one line on your dues, you need to make sure your members know that the non-deductibility percentage applies only to the \$156, not to \$201. The \$45 is fully deductible.

Also for new members, because their National dues are prorated, for 2024 the 35% should be applied to the prorated amount.

SCR's non-deductible pro-rated dues for new members should apply 25% for 2024 dues, less the \$25 legal action fee. SCR's Legal Action fee of \$25 is fully deductible.