

Lobbying Ceilings Under the 1976 Lobby Law

<i>Annual Exempt-Purpose Expenditures</i>	<i>Total Direct Lobbying Expenditures Ceiling</i>	<i>Total Grassroots Lobbying Expenditures Ceiling</i>
Up to \$500,000	20% of exempt-purpose expenditures up to \$100,000	One-quarter of the total direct lobbying expenditures ceiling
\$500,000–\$1 million	\$100,000 + 15% of excess over \$500,000	\$25,000 + 3.75% of excess over \$500,000
\$1 million–\$1.5 million	\$175,000 + 10% of excess over \$1 million	\$43,750 + 2.5% of excess over \$1 million
\$1.5 million–\$17 million	\$225,000 + 5% of excess over \$1.5 million	\$56,250 + 1.25% of excess over \$1.5 million
Over \$17 million	\$1 million	\$250,000

SOURCE: IRS Code Section 4911

Measurement Calculations Exercise:

Example 1:

For a non-profit with total charitable expenditures of \$250,000:

- a. The *total* lobbying expenditure limit is:

$$\mathbf{\$250,000 \times 20\% = \$50,000}$$
 &
- b. The grassroots lobbying expenditure limit portion is:

$$\mathbf{\$50,000 \times 25\% = \$12,500}$$

Example 2 :

For a non-profit with total charitable expenditures of \$2,500,000:

- a. The total lobbying expenditure limit is:

$$\mathbf{\$2,500,000 - \$1,500,000 = \$1,000,000}$$

$$\mathbf{\$1,000,000 \times 5\% = \$50,000}$$

$$\mathbf{\$225,000 + \$50,000 = \$275,000}$$
 &

- b. The grassroots lobbying expenditure limit is:

$$\mathbf{\$275,000 \times 25\% = \$68,750}$$

