



## **Frequently Asked Questions**

### **What is a political action committee (PAC)?**

A political action committee is a group of individuals with common values and goals who combine their resources to financially support candidates running for public office. A PAC supports candidates who represent the interests and views of its members, in our case, cattlemen and women nationwide.

### **Why was NCBA-PAC organized?**

Cattlemen need pro-business, pro-agriculture, representatives in Congress. NCBA-PAC was organized to support candidates running for Congress that will speak for and protect the interests of the cattle and beef industry on Capitol Hill. Few people have the resources to make large contributions to several candidates for Congress. NCBA-PAC allows cattlemen to maximize their resources and speak with one voice in support of their industry.

### **If I contribute to NCBA-PAC, where does the money go?**

Individual contributions to NCBA-PAC go directly to the campaigns of candidates who are supportive of issues that are important to cattlemen such as international trade, food safety and nutrition, animal health, drought and disaster relief, environmental regulations, property rights, federal lands, tax and credit and marketing issues. NCBA-PAC follows established procedures for making contributions to candidates for federal office. Each candidate's record of support, bill sponsorship, key votes, financial need, and agreement of the state affiliate organization are some of the criteria that are used.

### **Does NCBA-PAC only support Republicans or only Democrats?**

NCBA-PAC does not support candidates based on their political affiliation but on their record of support for the cattle and beef industry. A candidate's positions on issues that are unrelated to the well-being of the cattle industry are never considered.

### **How do I really make a difference?**

NCBA-PAC's strength comes from you and your commitment to your industry. Each individual NCBA-PAC supporter helps us stand together and promote the legislative objectives of our organization. Your political involvement makes a bold statement. It tells your elected officials that you are committed to electing representatives and senators that will speak for and protect the best interests of our organization.

### **What is the length of my membership?**

The NCBA-PAC membership follows the fiscal year calendar, running from January 1-December 31. Contributions can be made in one payment or over the course of the year in installments. Furthermore, in accordance with Internal Revenue Service regulations, contributions to the NCBA-PAC are not tax deductible for federal income tax purposes.



### **Can I contribute using a corporate check?**

NO. In compliance with federal regulations, all contributions to NCBA-PAC must be made with personal funds or funds from a sole proprietorship, partnership, LP, or an LLC.

### **Does all of my contribution go to support candidates in my state?**

No. The true power of NCBA-PAC is its ability to support candidates from all states. The future of our industry depends on votes and actions from members of Congress from other states who sit on committees with jurisdiction over the issues that affect our industry. It is important that we support and educate those members.

### **Contribution Guidelines**

Contributions or gifts to NCBA-PAC are not deductible as charitable donations for federal income tax purposes.

NCBA-PAC may receive up to \$5,000 per year from any one contributor. A husband and a wife each have separate \$5,000 limits, even if only one spouse has an income. A couple may make a joint contribution using a single form of payment. Since a joint contribution represents a personal check of each donor, each donor must sign either the check or an accompanying statement. The joint contribution is applied equally to each donor unless an accompanying statement indicates otherwise.

### **Business Checks Permitted to Contribute to a PAC**

#### **I. LLC Contributions**

- a. The Federal Elections Campaign Guide 2001 - Contributions from Limited Liability Companies says that for the purposes of contributions an LLC may contribute to the PAC. However, the law defines the circumstances under which an LLC is eligible to contribute "hard dollars." It depends whether a LLC chooses to be treated either as a partnership or a corporation.
  - i. LLC is considered a corporation if it has chosen to file, under the Internal Revenue Service (IRS) as a corporation or it has publicly traded shares.
  - ii. LLC is considered a partnership if it has chosen to file under the Internal Revenue Service (IRS) as a partnership or made no choice under the IRS rule as to whether it is a corporation or partnership.
  - iii. If an LLC that is considered a corporation it is prohibited from making contributions to political committees.
  - iv. If an LLC is considered a partnership it is permitted to make contributions to political committees. It is subject to the contribution limits for partnership (contributions from a partnership may not exceed \$5,000 per calendar year to a given committee).
  - v. If an LLC is an S Corporation that is unincorporated it may contribute. An S corporation that is incorporated may not contribute.
  - vi. An LLC (partnership) must at the time of the contribution notify the recipient committee it is an
  - vii. LLC in doing so it must state that it is eligible to make the contribution and how the contribution should be attributed among its members (if more than one).



viii. A single member LLC, that does not elect corporate status, may make a single contribution and applied to a single member.

- II. Partnerships
- III. Sole Proprietorships
- IV. Limited Partnerships

**For more information or to contribute to NCBA-PAC, please contact:**

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*Contributions to NCBA-PAC are not tax deductible for Federal Income Tax purpose. NCBA-PAC may only accept personal checks and credit cards. Federal Law requires that we obtain and report the name, address, occupation, and employer for each individual whose contributions aggregate in excess of \$200 per calendar year. We do not accept political contributions from foreign nationals.*