

RE: Notice of Lobbying and Political Expenditures
October 3, 2014

The following are the safe harbor requirements for Disclosure of Nondeductibility of Contributions (per IRS Notice 88-120, 1988-2 C.B. 454)

For print disclosures:

1. The statement is in at least the same size type as the primary message stated in the letter;
2. The statement is included on the message side of any card or tear off section that the contributor returns with the contribution; and
3. The statement is either the first sentence in a paragraph or itself constitutes a paragraph.

Because MedChi is a 501(c)(6) organization, any of the following statements would be accepted as a safe harbor disclosure:

1. "Contributions or gifts to MedChi are not tax deductible as charitable contributions. However, they may be tax deductible as ordinary and necessary business expenses."
2. "Contributions or gifts to MedChi are not tax deductible as charitable contributions for Federal income tax purposes. However, they may be tax deductible under other provisions of the Internal Revenue Code."
3. "While contributions or gifts to MedChi are not tax deductible as charitable contributions for Federal income tax purposes, they may be tax deductible under other provisions of the Internal Revenue Code."

Any variation of the above requirements will not be protected as a safe harbor. However, the IRS will "evaluate all the facts and circumstances to determine whether the solicitation contained 'an express statement (in a conspicuous and easily recognizable format) that contributions or gifts to such organization are not deductible as charitable contributions for Federal income tax purposes.'" A *good faith* effort to comply will be an important factor, but if the statement is in *fine print*, the statement will not be in compliance with the statutory requirement.