



January 31, 2019

Brewers Association Member,

We are writing to inform you of the non-deductible portion of your member dues paid to the Brewers Association in 2018. This non-deductible percentage pertains to the amount that *cannot* be claimed as a business expense by BA members on their 2018 tax returns.

Since the Brewers Association engaged in lobbying activities during 2018, we are reporting to all Brewers Association members the percentage of those lobbying activities (expenses) as they relate to total membership dues.

Your dues payment as a business expense for the year 2018 will be limited by the percentage of dues that went towards supporting lobbying activities, and only the remaining portion of your dues can be claimed as an expense on your federal tax return. Contact your tax professional to determine the deductibility of your membership dues.

**For 2018, the percentage of non-deductible dues pertaining to your tax return is 7.8%.**

Lobbying funds for the professional division in 2018 were related primarily to communications to educate elected federal representatives and senators and their staffs on issues affecting small and independent brewers. These issues include extending the federal excise tax recalibration, the impact of steel and aluminum tariffs on brewers, and the need to fully fund the Alcohol and Tobacco Tax and Trade Bureau (TTB).

If you have any questions about the implications of this information, we recommend you discuss with your accountant(s). If you need further information from the Brewers Association regarding this topic, please contact Paul Gatza.

Thank You,

Tom Clark  
Director of Finance  
**Brewers Association, Inc.**

Paul Gatza  
BA Director  
**Brewers Association, Inc.**