

From the desk of Peter S. Muffoletto, C.P.A.

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Country Club dues are not a business expense

Any club that is organized for pleasure, recreation OR other social purposes is not a deductible expense.

This also applies to any membership organization if one of its principal purposes is either to host entertainment activities for members or their guests, or to provide members or their guests with access to entertainment facilities.

Congress under President Clinton specifically denied the deduction of country clubs, golf and athletic clubs, airline clubs, and hotel clubs.

Other specific entertainment expenses that are prohibited include yachts, hunting lodges, fishing camps, swimming pools, tennis courts, bowling alleys, and homes in a vacation resort.

Meals and entertainment expenses incurred at a club while entertaining clients where there are substantial discussions related to business are deductible as meals and entertainment despite club the dues not being deductible.

Professional organizations specific to your business are deductible. These include bar associations, chambers of commerce and other trade associations. Civic or public-service-type organizations, such as the Lions, Kiwanis or Rotary clubs may also be deducted.

Again, you cannot deduct dues associated with an organization whose principal purpose is to provide entertainment facilities to its members, or to conduct entertainment activities for them.

For a business expense to be deductible that expense must be ordinary and necessary for the operation of your business.

Your politicians do not believe that while they have everything paid for them by your tax dollars, you cannot.

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