TAX DEDUCTIONS
FOR U.S. TOASTMASTERS

Every year, Toastmasters members in the United States ask: "Are my Toastmasters dues and expenses tax deductible?" We'll attempt to answer that question in accordance with current legislation.

Generally, two classifications cover club dues and other membership expenses, which may or may not be deductible if you itemize your deductions on your tax return.

A. CHARITABLE CONTRIBUTIONS

Toastmasters International is a nonprofit organization under Section 501(c) (3), so some items may be deductible as charitable contributions. Deductions for charitable contributions may not exceed 50% of a member's adjusted gross income.

Category 1: If you give your club a check as a gift (and for no other reason), it is deductible as a charitable contribution.

Category 2: If you're a duly-appointed delegate representing your club at the international convention, and you attend all meetings as the delegate and report back to your club, many of your out-of-pocket expenses are deductible as charitable contributions. However, your club cannot have reimbursed you and no significant element of personal pleasure or recreation can have been involved.

B. EDUCATIONAL/BUSINESS EXPENSE

Because the organization is educational, some expenditures may be deductible as educational expenses, provided they can be considered ordinary and necessary in your trade, business or profession.

Category 3: Your income-producing activity may require the skills you develop in Toastmasters. The expense may be an ordinary, necessary expense for education and:

a. meet the express requirements of your employer for keeping your salary, status or employment, or

b. maintain or improve skills required to perform the duties of your present employment, trade or business.

This third category could include a commissioned salesperson, a supervisor or manager, a lawyer or instructor, but would not include work where effective public speaking is not a prerequisite.

There are now limits on the amounts that are tax deductible as ordinary and necessary business expenses. Only 50% of the cost of meals is deductible. Also, all educational/business expenses (including 50% of the cost of meals) are deductible only to the extent that they exceed 2% of adjusted gross income. These expenses are no longer allowed as income adjustments; they may be taken only as miscellaneous itemized deductions. Two things to keep in mind:

1. Any items for which you are reimbursed aren't deductible unless the reimbursement is included in income.
2. Records must be kept to substantiate the amounts deducted and to show that you actually attended sessions and workshops of the meetings and conventions.

If you have any questions, please email: **DistrictFinancialQuestions@toastmasters.org**.

Below are some typical expenses and answers about their tax deductibility under each category:

EXPENDITURES	CATEGORY 1	CATEGORY 2	CATEGORY 3
Club Dues	No	No	Yes
Club Meetings:			
Luncheons	No	No	No
Registration Costs	No	No	Yes
Mileage from work to meeting At 0.555 per mile (effective 7/1/11)	No	No	Yes
Parking at meetings	No	No	Yes
Flat tire fix	No	No	No
Purchased Parliamentary law book and gave to club:	Yes	Yes	No
Mid-Year Training, Conferences & Convention:			
Registration/Meals	No	Yes	Yes
Other meals	No	Yes	Yes
Tips	No	Yes	Yes
Hotel Room	No	Yes	Yes
Mileage to and from conference site: At .14 per mile	No	Yes	No
At 0.555 per mile (effective 7/1/11)	No	No	Yes
100 miles, site-seeing	No	No	No
Taxi to Airport (Convention)	No	Yes	Yes
Air fare (Convention)	No	Yes	Yes
Telephone home	No	No	No
Golf, tennis, etc.	No	No	No
Night Club Entertainment	No	No	No
Tour of convention city	No	No	No