

To: NDIA Members  
From: NDIA Leadership  
Re: NDIA Member Tax Deductibility

NDIA Members,

As a valued member of the National Defense Industrial Association (NDIA), we would like to take this opportunity to inform you about the tax deductibility of your membership dues.

NDIA is recognized as an exempt organization described in Section 501(c)(3) of the US Tax Code. According to outside legal counsel's review, this permits membership dues paid to NDIA generally to be considered fully tax deductible as an ordinary and necessary business expense, according to 26 CFR §1.162-15(c). It is important to note that the level of any lobbying activity by NDIA is not high enough to affect member dues deductibility, as stated in 26 CFR §1.162-20(c)(3).

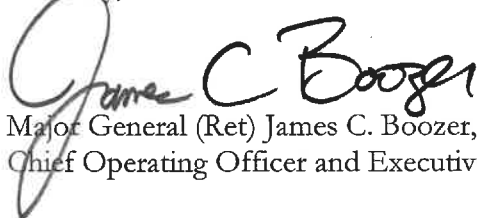
In addition to membership dues, donations made to NDIA beyond membership dues may also be deductible as a charitable contribution.

Furthermore, the rules regarding notice to members and the possible non-deductibility of some portion of membership dues allocable to lobbying expenditures that apply to certain Section 501(c) organizations do not apply to Section 501(c)(3) organizations like NDIA.

We hope that this information is useful to you as you consider the tax implications of your membership in NDIA. We encourage each member to make an internal determination of the tax deductibility of their organization's membership dues to ensure it aligns with your organization's business expense deductions. If you have any questions or concerns, please do not hesitate to contact us.

Thank you for your continued support of NDIA.

Sincerely,



Major General (Ret) James C. Boozer, U.S. Army  
Chief Operating Officer and Executive Vice President