

## 501(c)(6)

A **501(c)(6) organization** is a business league, chambers of commerce like the [U.S. Chamber of Commerce](#), a real estate board, a board of trade, a professional football league or an organization like the [Edison Electric Institute](#) and the [Security Industry Association](#), that are not organized for profit and no part of the net earnings goes to the benefit of any private shareholder or individual.[\[73\]](#)

### Qualifications for exemption

A business league may qualify if it is an association of persons having a common business interest, whose purpose is to promote the common business interest and whose activities improve business conditions rather than actually conduct the business itself.[\[74\]](#) Members of the organization must be of the same trade, business, occupation, or profession in order to qualify.[\[75\]](#) A chamber of commerce or board of trade could qualify for similar reasons except that they may promote the common economic interests of all the commercial enterprises in a given trade or community.[\[76\]](#)

An association would not qualify if its principal activities consist of securing benefits and performing particular services for members.[\[77\]](#)

An association that promotes the common interests of certain hobbyists would not qualify because the Internal Revenue Service does not consider hobbies to be activities conducted as businesses.[\[78\]](#)

An organization whose primary activity is advertising the products or services of its members does not qualify because the organization is performing a service for its members rather than promoting common interests.[\[79\]](#)[\[80\]](#) If an organization's primary activity is advertising the products or services of its members' industry as a whole, however, the organization will generally qualify if it also performs other services for its members.[\[81\]](#)

### Contributions and activities

Much like 501(c)(4) organizations, 501(c)(6) organizations may also perform some political activities.[\[82\]](#) 501(c)(6) organizations are allowed to [attempt to influence legislation](#) that is related to the common business interests of its members.[\[83\]](#)

501(c)(6) organizations can receive unlimited contributions from corporations, individuals, and labor unions. The names and addresses of contributors are not required to be made available for public inspection.[\[84\]](#) All other information, including the amount of contributions, the description of noncash contributions, and any other information, is required to be made available for public inspection unless it clearly identifies the contributor. The [U.S. Chamber of Commerce](#) is a large political spender, and [Freedom Partners](#) used its status as a 501(c)(6) organization to raise and distribute over \$250 million during the [2012 election campaigns](#) without disclosing its donors.[\[85\]](#) The group's existence was not publicly known until nearly a year after the election.

A business' membership dues paid to a 501(c)(6) organization are generally an ordinary and necessary business expense.[\[86\]](#) The membership dues are tax-deductible in full unless a substantial part of the 501(c)(6) organization's activities consists of political activity, in which case a tax deduction is allowed only for the portion of membership dues that are for other activities.[\[86\]](#)