

Now Is the Time to Consider Changes to the Method of Calculating LDA Expenses

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The Lobbying Disclosure Act (LDA) provides two different methods for corporations and trade associations to calculate and report their total lobbying expenditures for a given calendar quarter. One method (Method A) employs the definitions of the LDA itself, such as "lobbying contact," "lobbying activities," etc. The second method (Method C) employs the lobbying provisions and definitions of the Internal Revenue Code (IRC).

Each method of calculating total lobbying expenditures has its own benefits and drawbacks. For example, the LDA method (Method A) does not incorporate any state or grassroots lobbying. The IRC method (Method C) has a much narrower class of covered officials in the executive branch of the federal government, meaning that many efforts to influence executive branch action or positions will not be considered "lobbying" on LDA Form LD-2 under the IRC method. Each of the benefits and drawbacks affects the total amount of lobbying expenditures disclosed each quarter, increasing the total for some organizations and decreasing it for others. The method chosen also may affect which employees need to register as lobbyists. Each organization's particular needs and activities affect which method would be the most appropriate for its use.

The LDA only permits a corporation or trade association to choose a method once per calendar year. Once one method is chosen for the First-Quarter LDA report (Form LD-2), then that method must be used for the rest of the year. Thus, organizations have until April 20, 2010, to choose the method they will employ for 2010.

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