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NATIONAL STEWARDSHIP ACTION COUNCIL
POLITICAL ACTION COMMITTEE
Q&A

What type of committee will the PAC be?

The PAC will be a federal political action committee, sponsored by the National Stewardship Action Council, that has the ability to make contributions to candidates for federal office (Congress, Senate, President) as well as make independent expenditures in support of or opposition to those candidates. The Federal Election Commission (FEC) refers to these types of PACs as “hybrid.”

What is the tax status of the PAC?

The PAC will be formed under Section 527 of the Internal Revenue Code as a political organization and will be a tax-exempt organization as long as it is operated primarily for the purpose of influencing or attempting to influence the selection, nomination, election or appointment of an individual to federal public office directly or indirectly.

What are the limits and permissible sources of funds for the PAC?

The PAC will have two bank accounts – one to make contributions directly to federal candidates, and one to influence federal elections in other ways, like independent expenditures.

Contributions to the contribution account are limited to \$5,000 per calendar year from individuals, non-corporate partnerships, sole proprietorships, and federal political action committees. Contributions from corporations (both for-profit and non-profit), limited liability companies, labor unions and foreign nationals are prohibited.

Contributions to the non-contribution account are not subject to limits or source prohibitions, other than foreign corporations and non-United States citizens who are not admitted for permanent residence (“green card” holders).

How much can the PAC give to candidates for federal office?

Until the PAC qualifies as a multi-candidate committee, it is limited to making contributions to candidates of \$2,900 per election.¹ Once it qualifies as a multi-candidate committee it can make contributions of \$5,000 per election.

How does the PAC qualify as multi-candidate?

The PAC will qualify when it meets all three criteria: (1) it has been registered with the FEC for at least six months; (2) it has received contributions from 51 or more persons; and (3) made contributions to five or more federal candidates.

Can NSAC pay the administrative costs of running the Political Action Committee?

Yes. Although NSAC cannot contribute directly to candidates or make contributions to PACs that make contributions directly to candidates, it can pay to administer its sponsored PAC without limit.

¹ Primary, general and special elections are considered separate elections for purposes of these limits.