

## Understanding the Rules Surrounding Campaign Donations



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February 7, 2023 | **ARTICLES**

With the start of a new year comes ample fundraising opportunities for upcoming elections. As a result, it is important to understand the rules around donating and becoming aware of certain contribution limits. If you plan to contribute to candidates, ballot measure committees, political parties, or political committees (PACs) this election cycle, you must comply with applicable campaign finance laws.

### **Federal Law**

Under federal law, you may contribute up to \$3,300 per election to any candidate running for United States Congress, the Senate or president. Federal law treats the primary and general elections as separate elections. Therefore, you may contribute up to \$6,600 to a federal candidate.

Many business entities, including corporations and LLCs taxed as corporations, may not contribute directly to federal candidates. Corporations may contribute up to \$5,000 per year to super PACs.

You may contribute up to \$41,300 per year to each national party committee's regular account ( e.g., Democratic

National Committee (DNC), Republican National Committee (RNC), etc.).

Click [here](#) for additional information on federal contribution limits.

## New York Law

Under New York State law, individuals may contribute to state candidates seeking a party's nomination in a primary based on the total number of voters in that party. Currently, an individual may contribute up to \$22,600 to candidates seeking nomination for statewide office (governor, lieutenant governor, comptroller and attorney general) and up to \$13,724 to candidates seeking the Republican Party's nomination for statewide office. Individuals may contribute up to \$47,100 to candidates for statewide office in the general election regardless of their political party.

Individuals may contribute up to \$7,500 in the primary election to candidates for the state Senate and up to \$11,800 in the general election to candidates for the state Senate, regardless of political party. Likewise, individuals may contribute up to \$4,700 in the primary election to candidates for state assembly and up to \$4,700 in the general election to candidates for state assembly, regardless of political party.

Immediate family members of candidates are subject to different contribution limits from those above and can reference those prescribed limits at the NYS Board of Elections campaign finance webpage [here](#).

A corporation or LLC may contribute up to \$5,000 in total to New York political committees (including candidates) in a calendar year. However, business entities and individuals may contribute unlimited amounts to independent expenditure committees or ballot proposition committees.

For the 2023 New York City Council elections, individuals may contribute up to \$1,600 per election cycle (four-year period) to candidates who reject public financing and up to \$1,050 per election cycle to candidates who accept public financing. Additionally, if an individual contributor has business dealings with the city at the time their contribution is made, a lower limit of \$250 applies, regardless of whether the candidate is a participant or non-participant in the public funds program. Further, all New York City candidates are prohibited from accepting contributions from corporations, LLCs and partnerships.

In addition, charitable organizations, including houses of worship that receive a tax exemption pursuant to section 501(c)(3) of the Internal Revenue Code (IRC), are prohibited from participating in any political campaign on behalf of a candidate for public office. A violation of those provisions may result in the denial or revocation of tax-exempt status by the IRS; the loss of exemption from New York income, sales, and use taxes; and enforcement or regulatory actions by the New York Attorney General.

For more information, questions and legal guidance on compliance rules involving campaign donations and election fundraising, contact [Michael G. Rossetti](mailto:mrossetti@lippes.com) ([mrossetti@lippes.com](mailto:mrossetti@lippes.com), 202.888.7610 x1601), [Christian R. Flemming](mailto:cflemming@lippes.com) ([cflemming@lippes.com](mailto:cflemming@lippes.com), 202.888.7610 x1621) or any member of our [Government & State Attorneys General Investigations](#) practice team.

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