



## Robert W. Wood

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### NFL Faces Bills To Kill Tax Exemption Over Redskins Name, Abuse And More

The NFL may be powerful and lucrative, but it isn't a religion or even a church. And right now it isn't exactly in favor, especially over how it is handling the abuse scandals. Roger Goodall, who earned over \$40 million in a recent year, might even have to go.

Meantime, what about that NFL tax exemption? The league's tax exempt status has come under fire before. But now it's different. The NFL is in deep damage control mode over its poor handling of numerous issues. That means it's getting some hard looks from the public and their elected representatives.

In the legislative category, the [NFL's tax-exempt status is being challenged over the "Redskins" name](#). Actually, there are two different bills pending that would hit the NFL in its pocket book. Both bills would challenge the cushy tax exemption the league has had for many decades.



A photo of the Logo of the National Football League (NFL) (Photo credit: Wikipedia)

There are many types of non-profits. The gold plated variety are so-called 501(c)(3) organizations like the Red Cross. The NFL is a 501(c)(6) organization, also called a trade association. Another good example of an exempt trade association is the U.S. Chamber of Commerce, which is also exempt as a 501(c)(6) organization.

Sen. Maria Cantwell, D-Wash., introduced a bill to strip the NFL of its tax-exempt status. She points out that the Washington Redskins' have refused to change the team's name. To some, the Redskins name is an offensive reference to Native Americans. Booker's bill would apply to the 10 sports leagues and organizations with annual revenue over \$10 million that claim this exemption.

But that isn't the only bill targeting the NFL's pocketbook. Another Senator, Sen. Cory Booker, D-N.J., has introduced his own bill. This one would disallow major professional sports leagues like the NFL from tax-exempt status. His bill may be more about money, with an express goal of raising \$100 million over 10 years.

Given the poor NFL and player record on domestic abuse, Senator Booker has suggested using that money to pay for state domestic abuse programs. His bill, the Securing Assistance for Victim Empowerment (SAVE) Act, would do away with the exemption. And some worry that will hurt teams as well as the NFL itself.

Yet the league position is weak now and the Ray Rice domestic violence scandal could still lead to more vocal calls for Commissioner Roger Goodell to be replaced. The economic pressure associated with the two bills seems significant, even if neither bill advances.

Some say the legislative effort is all about symbolism. And the darling NFL is not so sacred just now. Still, football is big business, making about \$10 billion annually. All of that money doesn't escape the IRS.

In fact, the money from sponsorships, broadcasting and ticket sales is taxed through a for-profit organization owned by the 32 teams. It is called NFL Ventures. If all of this sounds a lot less like the non-profit laws you thought we had, just consider that the whole IRS scandal over targeting of conservative groups also involved tax-exemptions. Gee, maybe the NFL could solve its problems in one fell swoop by bring Lois Lerner on board?

*Contact me at [Wood@WoodLLP.com](mailto:Wood@WoodLLP.com). This discussion is not intended as legal advice, and cannot be relied upon for any purpose without the services of a qualified professional.*