



3RD CONGRESS  
1ST SESSION

# S. 9

To amend the Internal Revenue Code of 1986 to exclude major professional sports leagues from qualifying as tax-exempt organizations

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## IN THE SENATE OF THE UNITED STATES

JANUARY 15, 2015

Ms. ARGUE introduced the following bill; which was referred to the Committee on Finance for a period to be subsequently determined by the Pro Tempore, for consideration of such provisions as fall within the jurisdiction of the committee concerned.

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## A BILL

To amend the Internal Revenue Code of 1986 to exclude major professional sports leagues from qualifying as tax-exempt organizations.

1           *Be it enacted by the Senate and House of*  
2           *Representatives of the United States of America in Congress*  
3           *assembled,*

4           **SECTION 1. SHORT TITLE.**

5           This Act may be cited as the "Pay Your Dues Act."

6           **SEC. 2. DEFINITIONS**

7           Non-Profit Organization (NPO) – A business entity that is  
8           granted tax-exempt status by the Internal Revenue Service.

9           **SEC. 3. AMENDMENT TO THE INTERNAL REVENUE CODE**

10           (a) Paragraph (6) of section 501(c) of the Internal  
11           Revenue Code of 1986 is amended--

12 (1) by striking ', or professional football leagues (whether or  
13 not administering a pension fund for football players)', and

14 (2) by inserting 'or' after 'real-estate boards,'.

15 (b) In General- Section 501 of the Internal Revenue Code of  
16 1986 is amended--

17 (1) by redesignating subsection (s) as subsection (t), and

18 (2) by inserting after subsection (r) the following new  
19 subsection:

20 (s) Add - No organization or entity shall be treated as described  
21 in subsection (c)(6) if such organization or entity--

22 '(1) is a professional sports league, organization, or association,  
23 a substantial activity of which is to support national or  
24 international professional sports competitions (including by  
25 managing league business affairs, officiating or providing  
26 referees, coordinating schedules, managing sponsorships or  
27 broadcast sales, operating loan programs for competition  
28 facilities, or overseeing player conduct), and (2) has annual  
29 gross receipts in excess of \$10,000,000.

30 **SEC. 4. EFFECTIVE DATE.**

31 This bill shall go into effect at the beginning of the next  
32 fiscal year.