

118TH CONGRESS
1ST SESSION

H. R. 3908

To amend the Internal Revenue Code of 1986 to prohibit tax-exempt status
for professional sports leagues.

IN THE HOUSE OF REPRESENTATIVES

JUNE 7, 2023

Mr. GARAMENDI (for himself, Ms. TLAIB, and Ms. BROWNLEY) introduced the
following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to prohibit
tax-exempt status for professional sports leagues.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “No Corporate Tax Ex-
5 emption for Professional Sports Act”.

6 **SEC. 2. SPECIAL RULES RELATING TO PROFESSIONAL**
7 **SPORTS LEAGUES.**

8 (a) IN GENERAL.—Section 501 of the Internal Rev-
9 enue Code of 1986 is amended by adding at the end the
10 following new subsection:

1 “(s) SPECIAL RULES RELATING TO PROFESSIONAL
2 SPORTS LEAGUES.—No organization or entity shall be
3 treated as described in subsection (c)(6) if such organiza-
4 tion or entity—

5 “(1) is a professional sports league, organiza-
6 tion, or association, a substantial activity of which is
7 to foster national or international professional sports
8 competitions (including by managing league business
9 affairs, officiating or providing referees, coordinating
10 schedules, managing sponsorships or broadcast sales,
11 operating loan programs for competition facilities, or
12 overseeing player conduct).”.

13 (b) EFFECTIVE DATE.—The amendment made by
14 this section shall apply to taxable years beginning after
15 the date of enactment of this Act.

○