

STATE OF NEW YORK

8475

2025-2026 Regular Sessions

IN SENATE

August 13, 2025

Introduced by Sen. SKOUFIS -- read twice and ordered printed, and when printed to be committed to the Committee on Rules

AN ACT to amend the tax law and the real property tax law, in relation to eliminating nonprofit tax exemptions for entities engaged in political activity

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. The tax law is amended by adding a new section 27-a to read
2 as follows:

3 § 27-a. Suspension of tax-exempt status for political campaign activ-
4 ity. 1. Definitions. For the purposes of this section, the following
5 terms shall have the following meanings:

6 (a) The term "nonprofit organization" means any corporation, associ-
7 ation, trust, community chest, fund, foundation, or limited liability
8 company organized and operated exclusively for religious, charitable, or
9 educational purposes, or for the prevention of cruelty to children or
10 animals, and no part of the net earnings of which inures to the benefit
11 of any private shareholder or individual.

12 (b) The term "political campaign activity" means any action communi-
13 cation or expenditure which constitutes participation or intervention,
14 directly or indirectly, in any political campaign on behalf of or in
15 opposition to any candidate for office.

16 (c) The term "candidate for public office" means an individual who
17 offers themself, or is proposed by others, as a contestant for a
18 national, state, or local elective public office, whether such office is
19 to be filled at a primary, general or special election. An individual
20 shall be deemed a candidate for the purposes of this article upon the
21 occurrence of any of the actions specified in subdivision one of section
22 14-100 of the election law.

23 (d) The term "contribution" shall have the meaning set forth in subdi-
24 vision nine of section 14-100 of the election law.

EXPLANATION--Matter in italics (underscored) is new; matter in brackets
[-] is old law to be omitted.

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1 (e) Notwithstanding the definitions set forth in the election law, the
2 term "expenditure" means any disbursement of the organization's funds or
3 use of its resources.

4 2. Prohibited activities. Any exemption from one or more taxes, fees,
5 or impositions codified in this chapter that is available to nonprofit
6 organizations shall not be available to such nonprofit organizations
7 that engage in political activity. The following activities are per se
8 violations of this prohibition, but the absence of one of these activi-
9 ties does not preclude a finding that an organization has engaged in
10 political campaign activity based on all other relevant facts and
11 circumstances:

12 (a) Making, soliciting, or facilitating, directly or indirectly, any
13 contribution to or for the benefit of any candidate for public office's
14 authorized political committee or political party.

15 (b) Publishing or distributing, by any medium, including but not
16 limited to written, electronic or oral statements, that expressly advoca-
17 te for the election or defeat of a clearly identified candidate for
18 public office.

19 (c) Using or permitting the use of the organization's assets, facili-
20 ties, staff, mailing lists, websites or other resources to support or
21 oppose a candidate for public office, except as explicitly permitted
22 under the safe harbor provisions in subdivision four of this section.

23 3. Permissible activities. The term "political campaign activity"
24 shall not include:

25 (a) Engaging in lobbying or advocating for the adoption or rejection
26 of legislation, provided such communication does not, based on all the
27 facts and circumstances, constitute participation or intervention in a
28 political campaign.

29 (b) Conducting non-partisan analysis, study or research and making the
30 results thereof available to the public, even if such analysis, study or
31 research may affect public perception of a candidate for public office.

32 (c) Providing non-partisan voter education, including the publication
33 of voter guides or the hosting of candidate forums, provided such activi-
34 ties are conducted in a neutral, unbiased manner consistent with the
35 requirements of subdivision four of this section.

36 (d) Encouraging participation in the electoral process through non-
37 partisan voter registration and get-out-the-vote drives.

38 4. Safe harbors. An organization shall not be deemed to have engaged
39 in prohibited political campaign activity solely on the basis of the
40 following activities, provided the specified conditions are met:

41 (a) Candidate appearances. Hosting a candidate for public office to
42 speak or appear at an event, provided that: (i) if one candidate for a
43 specific office is invited to speak, all other legally qualified candi-
44 dates for that same office are invited and afforded an equal opportunity
45 to participate; (ii) the organization does not, in its communications or
46 at the event, indicate any support for or opposition to any candidate;
47 and (iii) no political fundraising occurs at the event or in connection
48 with it.

49 (b) Use of facilities, goods or services. Renting its facilities or
50 providing goods or services to a candidate, provided that: (i) the
51 facilities, goods or services are made available to all candidates for
52 the same office on the same basis and for a fee that is at least fair
53 market value; and (ii) the provision of such facilities, goods or
54 services is in the ordinary course of the organization's regularly
55 conducted activities.

1 (c) Website content. Maintaining a website that provides information
2 about or links to candidates for public office, provided that: (i) the
3 information or links are provided for all legally qualified candidates
4 for a particular office; (ii) the presentation of all candidates is
5 neutral and unbiased in format and content; and (iii) any link to a
6 candidate's campaign website is presented in a manner that does not
7 indicate support or opposition.

8 § 2. Subdivision 1 of section 420-a of the real property tax law is
9 amended by adding a new paragraph (c) to read as follows:

10 (c) Real property such as specified in paragraph (a) of this subdivi-
11 sion shall not be exempt if any portion is used by the corporation or
12 association to engage in political campaign activity as defined in
13 section twenty-seven-a of the tax law.

14 § 3. Subdivision 1 of section 420-b of the real property tax law is
15 amended by adding a new paragraph (d) to read as follows:

16 (d) Real property such as specified in paragraph (a) of this subdivi-
17 sion shall not be exempt if any portion is used by the corporation or
18 association to engage in political campaign activity as defined in
19 section twenty-seven-a of the tax law.

20 § 4. Paragraph 4 of subdivision (a) of section 1116 of the tax law, as
21 amended by chapter 407 of the laws of 2019, is amended to read as
22 follows:

23 (4) Any corporation, association, trust, or community chest, fund,
24 foundation, or limited liability company, organized and operated exclu-
25 sively for religious, charitable, scientific, testing for public safety,
26 literary or educational purposes, or to foster national or international
27 amateur sports competition (but only if no part of its activities
28 involve the provision of athletic facilities or equipment), or for the
29 prevention of cruelty to children or animals, no part of the net earn-
30 ings of which inures to the benefit of any private shareholder or indi-
31 vidual, no substantial part of the activities of which is carrying on
32 propaganda, or otherwise attempting to influence legislation, (except as
33 otherwise provided in subsection (h) of section five hundred one of the
34 United States internal revenue code of nineteen hundred fifty-four, as
35 amended), and which does not participate in, or intervene in (including
36 the publishing or distributing of statements), any political campaign on
37 behalf of or in opposition to any candidate for public office. The
38 provisions of this paragraph regarding political campaign activity shall
39 be interpreted in the same manner as section [~~501(e)(3) of the United~~
40 ~~States internal revenue code has been interpreted as of the effective~~
41 ~~date of the chapter of the laws of two thousand nineteen that amended~~
42 ~~this paragraph]~~ twenty-seven-a of this chapter;

43 § 5. The department of taxation and finance shall establish rules and
44 regulations to administer and enforce the provisions of this act.

45 § 6. This act shall take effect immediately.