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:

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

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

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

(b) The term "political campaign activity" means any action communication or expenditure which constitutes participation or intervention, directly or indirectly, in any political campaign on behalf of or in opposition to any candidate for office.

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

(d) The term "contribution" shall have the meaning set forth in subdivision 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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(e) Notwithstanding the definitions set forth in the election law, the term "expenditure" means any disbursement of the organization's funds or use of its resources.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

§ 6. This act shall take effect immediately.