



# TaxNewsFlash

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## Legislative update: Senate Finance Chairman Wyden releases legislation repealing tax exemptions for certain large sports leagues, sovereign wealth funds

U.S. Senate Finance Committee Chairman Ron Wyden (D-OR) today introduced legislation that would revoke the tax exemption for certain large sports leagues and deem certain sovereign wealth funds as ineligible for favorable withholding rules applicable to sovereign wealth funds.

Read the [Senate Finance release](#) (July 26, 2023)

### Large sports leagues

The organizer of certain large sports leagues, such as the PGA, currently qualifies for a tax-exempt status as a 501(c)(6) organization, which provides tax exemptions for “business leagues, chambers of commerce, real estate boards, boards of trade, and professional football leagues.”

The first bill introduced by Senator Wyden would modify the 501(c)(6) designation in the Code to exclude sports organizations with assets exceeding \$500 million.

Read a [one-page summary](#) [PDF 77 KB] of *The Sports League Tax-Exempt Status Limitation Act*

### Sovereign wealth funds

Current law exempts sovereign wealth funds and similar foreign government investment funds from a 30% withholding tax on payments such as dividends and interest.

The second bill introduced by Senator Wyden—*The Ending Tax Breaks for Massive Sovereign Wealth Funds Act*—would deny that benefit to funds belonging to countries that have more than \$100 billion invested globally, with an exception for countries that have a free trade agreement or a tax treaty with the United States and are not deemed by the State Department a “foreign country of concern.”

Read a [one-page summary](#) [PDF 88 KB] of the bill

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