

1983 Legislation

Amendments to Section 1116 of Article 28

of the New York State Tax Law

The following amendments to section 1116 of the New York State Tax Law became effective June 26, 1983 with the enactment of Chapter 366 of the Laws of 1983.

Section 1116(a)(5): "A post or organization of war veterans . . ." has been changed to read "a post or organization of past or present members of the armed forces of the United States. . . ."

In order to be exempt under section 1116(a)(5), such organization must be (1) organized in this State, (2) have a membership of which 75% or more must be past or present members of the armed forces of the United States (rather than 75% or more war veterans, as this section previously provided); substantially all other members must be cadets or spouses, widows or widowers of past or present members of the armed forces of the United States or of cadets, and (3) the net earnings of such organization must not benefit any private shareholder or individual.

Section 1116(f): This is a new section which amends certain provisions of section 1116(a)(4).

Prior to this enactment, exemptions under section 1116(a)(4) included exemption for those organizations which are organized and operated exclusively to foster national or international amateur sports competition, but only if they "did not provide either directly or indirectly, any athletic facilities or equipment." New paragraph (f) provides that such organization may be exempt even when providing athletic facilities or equipment, if all other requirements of a "qualified sports organization" (as explained below) are met.

In addition, a "qualified sports organization" may not be denied exemption merely because its membership is local or regional in nature. For purposes of section 1116(f), a "qualified sports organization" is any organization which is:

Organized and operated exclusively to foster national or international amateur sports competition if it is also organized and operated primarily to conduct national or international competition in sports, or to support and develop amateur athletes for such competition.