



NATIONAL FOOTBALL LEAGUE

April 28, 2015

The Honorable Paul Ryan
U.S. House of Representatives
1233 Longworth House Office Building
Washington, D.C. 20515

The Honorable Sander "Sandy" M. Levin
U.S. House of Representatives
1236 Longworth House Office Building
Washington, D.C. 20515

Dear Chairman Ryan and Ranking Member Levin,

I write to inform you that the NFL owners have determined that the League Office plans to file returns as a taxable entity for our fiscal year 2015. Attached is a letter I sent today to all NFL owners that confirms the decision.

I appreciate the opportunity to provide this information.

My best.

Sincerely,


ROGER GOODELL



TO: All Owners
All Presidents

FROM: Commissioner Goodell

DATE: April 28, 2015

SUBJECT: Tax Exempt Status

As you know, for several years the NFL has discussed the tax exempt status of the league office and the Management Council, and more than a year ago the Finance Committee began a study of whether to relinquish the exemptions. That study has now concluded, and has confirmed that a change in the tax status will not alter the function or operation of the league office or Management Council in any way. At the Annual Meeting in March, the full ownership granted the Finance Committee and Management Council Executive Committee (CEC) the authority to change the tax status of the league office and the Management Council. I write to report to you that last week each committee exercised that authority and voted to have the league office and Management Council file tax returns as taxable entities for our 2015 fiscal year.

The league office was first granted tax-exempt status by the IRS in 1942, and the IRS has repeatedly confirmed that status over the years. The Management Council has a similar tax status and organizational structure. As you know, the effects of the tax exempt status of the league office have been mischaracterized repeatedly in recent years. The fact is that the business of the NFL has never been tax exempt. Every dollar of income generated through television rights fees, licensing agreements, sponsorships, ticket sales, and other means is earned by the 32 clubs and is taxable there. This will remain the case even when the league office and Management Council file returns as taxable entities, and the change in filing status will make no material difference to our business. As a result, the Committees decided to eliminate this distraction.

Recently Congress has questioned whether sports league associations should, as a matter of federal tax policy, be tax exempt. We will notify interested members of Congress of this decision by NFL ownership.