



NEW YORK STATE SENATOR

Liz Krueger

## Krueger, Glick Introduce Bill To Protect Non-Profits From Trump Attacks

LIZ KRUEGER May 13, 2025

| ISSUE: **NONPROFITS, FREE SPEECH, TRUMP ADMINISTRATION, ENVIRONMENT**



NY PROTECT Act Maintains Tax-Exempt Status For Groups Targeted By Federal Administration

**Albany** – Today, Senator Liz Krueger and Assemblymember Deborah Glick introduced the New York Preventing Revocation of Organizations' Tax-Exempt Classification by Trump (NY PROTECT) Act, to ensure that 501(c)3 organizations that lose federal tax-exempt status as a result of an illegal or improper revocation by the IRS can continue operating in New York as if they maintained such status.

"The Trump Regime is determined to wage a Cultural Revolution to enforce their ideology on

everyone and everything, and they will retaliate in any way they can against those who don't toe the line," said **Senator Krueger**. "New York must continue to stand up for our American values and protect organizations advocating for academic freedom, democracy, the environment, or any number of issues critical to our lives and our futures. It is clearly not legal for the IRS to revoke tax-exempt status from groups just because Trump doesn't like them, but we can't wait for the courts to overturn these actions - we need to act now to protect New York's non-profits so they can continue to do their vital work in our communities."

"The Trump Administration has signaled its intention to use all possible levers of government to attack, undermine, and eliminate any perceived opponents," said **Assemblymember Glick**.

"Threatening the tax exempt status of organizations that educate future leaders, provide legal support for immigrants, and engage in crucial academic research that has kept America in the forefront of scientific innovation is not only short-sighted, but antithetical to our basic principles. We cannot capitulate to this bluster and bullying. New York nonprofits need to know we will act quickly to protect them from these outrageous and illegal actions so they can continue to serve our constituents."

Recently, the Trump Administration has threatened to revoke tax-exempt 501(c)3 status from several organizations that President Trump has deemed to be acting counter to his ideological priorities. Among the types of groups he has threatened are [environmental advocacy organizations](#), those promoting [democracy](#) and voting rights, and [Harvard University](#). Congressional Republicans have also [previously advanced legislation](#) to give the president broad powers to revoke non-profit status by deeming organizations to be supporters of terrorism.

Many of these organizations do critical work in New York communities, and losing their 501(c)3 designation would have far-reaching impacts. A 501(c)3 organization whose status is illegally or improperly revoked by the IRS, may be subjected to an array of state or local taxes. Further, a 501(c)3 designation provides more than just a status for taxing purposes. This status, and a certification of such status, is required by many programs, contracts and qualifications under New York State Education, Housing, Health, and Ag & Markets Law, and other areas in connection with the state and local governments.

The NY PROTECT Act, S.7880, will ensure that no services or contracts are interrupted as a result of federal actions that are illegal or improper. Organizations that held tax-exempt status on January 19th, 2025, and believe that status has been improperly revoked by the IRS, can apply to the Commissioner of Tax and Finance to become a "state protected not-for-profit organization." Such a designation will remain in effect until the earlier of April 15th the following year, or one year after the IRS restores the organization's federal status. Organizations may renew their state protected designation if their status continues to be improperly withheld by the IRS. The bill sunsets on January 20th, 2029.

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#### RELATED LEGISLATION

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### 2025-S7880

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- Introduced
- - In Committee Assembly
  - In Committee Senate
- - On Floor Calendar Assembly
  - On Floor Calendar Senate
- - Passed Assembly
  - Passed Senate

- Delivered to Governor
- Signed By Governor
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Enacts the NY-PROTECT ACT; repealer

May 13, 2025

In Assembly Committee

Sponsored by Liz Krueger

Do you support this bill?