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United States Senate

COMMITTEE ON
HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS
WASHINGTON, DC 20510-6250

October 10, 2013

Commissioner Tim Finchem
PGA Tour, Inc.
112 PGA TOUR Blvd.
Ponte Vedra Beach, FL 32082

Dear Commissioner Finchem:

I commend the PGA Tour for its commitment to assisting charitable organizations nationwide by leveraging the popularity of golf and the Tour's players. As an avid fan of golf, I know the sport has grown in popularity in recent years. With its success, your organization has helped to raise almost \$2 billion for local charities, an astounding feat. Charities bring vital physical, emotional, and spiritual support to millions of Americans every year, especially during crises, such as when tornadoes tore through Oklahoma in this past May. Many nonprofit entities also enrich society through their support of arts, education, and literary ventures. This sector is undeniably important to the nation. The Tour's model in partnering with charitable organizations that organize and manage most Tour events while capturing a portion of the overall revenue is unique.

I have introduced a bill in the United States Senate, the Properly Reducing Overexemptions for Sports Act (PRO Sports Act), that would prohibit major professional sports leagues from qualifying for the 501(c)(6) tax status used by trade associations and chambers of commerce. As you know, a number of major leagues, including the PGA Tour, are registered as 501(c)(6) entities. When asked about the PRO Sports Act by *Golf Digest*, your organization recently issued a statement highlighting its approach of partnering with charities to help them raise funds through tournament management.

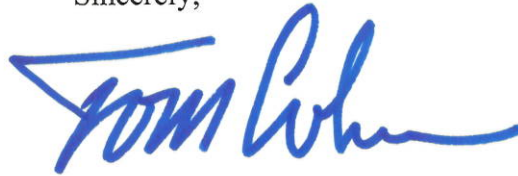
I respectfully ask you assist my oversight of the tax-exempt sector by responding to the following questions:

1. If it no longer qualified for the 501(c)(6) tax-exempt status, would PGA Tour, Inc. still have the legal option to partner with 501(c)(3) charitable organizations, allowing them to organize and manage tournaments to capture some of the overall revenue?

2. If it no longer qualified for the 501(c)(6) tax-exempt status, would PGA Tour, Inc. still have the legal option to donate millions of dollars in funds and services to 501(c)(3) charitable organizations?
3. If it no longer qualified for the 501(c)(6) tax-exempt status, would PGA Tour, Inc. still be able to benefit from special tax provisions included in the Tax Reform Act of 1986, including full deductibility of event tickets – a provision generally not applicable to the tickets of many other sports leagues – and the substantial presence exemption for foreign professional athletes likely utilized by some PGA Tour golfers?
4. What were the total charitable donations of PGA Tour, Inc. each year over the last five years? Please delineate between cash and non-cash assistance, and provide a list of the top five recipients in each year over the last five years, including the amounts received by each.

With the tax code as complex and cumbersome as it is, I look forward to streamlining and simplifying it so businesses like the PGA Tour can thrive. Thank you in advance for your cooperation and assistance.

Sincerely,



Tom A. Coburn, M.D.
Ranking Member
Committee on Homeland Security and
Governmental Affairs