

## New York State Legislature Passes Bill to Repeal Burdensome Filing Requirements for Nonprofits

June 21, 2021

The New York State Assembly and Senate have passed [A1141A/S4817A](#), a bill to repeal certain recently enacted amendments to N.Y. Exec. Law § 172-b, which, effective January 1, 2021, (a) imposed duplicative and burdensome filing requirements on 501(c)(3) nonprofits and (b) required public disclosure of previously confidential information about their donors. The bill now goes to Governor Cuomo for signature or veto.

Charitable organizations that are organized, operating or fundraising in New York State must register with the Charities Bureau of the New York State Attorney General's office and file an annual financial report. This obligation is satisfied by filing the NYS CHAR 500 Form along with the organization's IRS Form 990 and applicable schedules. Under recent amendments to N.Y. Exec. Law § 172-b, effective January 1, 2021, any organization that is required to file such an annual financial report is also required to make the same tax filing, again, with the New York Department of State. Nonprofit organizations, [advocacy organizations](#) and the [City Bar Association](#) expressed concerns regarding this redundant filing obligation, as it is a burdensome requirement that serves no useful purpose. A1141A/S4817A would eliminate this redundant requirement for most nonprofit organizations by repealing the requirement to file with the New York Department of State.

This bill would also repeal a recently enacted requirement that the New York Department of State publish on its website donor information contained on Schedule B of the IRS Form 990, which was an alarming change. Although the balance of a 501(c)(3) organization's Form 990 is publicly available on the IRS and Charities Bureau websites and from other public sources, donor information contained on Schedule B has long been protected as confidential and not made public. Charities had expressed concern that publicly disclosing donors' identities would discourage donations to 501(c)(3) organizations by potential donors who prefer to remain anonymous. A1141A/S4817A would require the New York Department of State to keep this information confidential and would further clarify that donors' identities should not be disclosed under the Freedom of Information Law.

### related professionals

**Jeremy S. Steckel** / Partner

D 212-238-8786

[steckel@clm.com](mailto:steckel@clm.com)

**Pamela A. Mann** / Partner

D 212-238-8758

[mann@clm.com](mailto:mann@clm.com)

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