

- Nonetheless, removing the major tax preferences currently available to university athletic departments would be unlikely to significantly alter the nature of those programs or garner much tax revenue even if the sports programs were classified, for tax purposes, as engaging in unrelated commercial activity. As long as athletic departments remained a part of the larger nonprofit or public university, schools would have considerable opportunity to shift revenue, costs, or

both between their taxed and untaxed sectors, rendering efforts to tax that unrelated income largely ineffective. Changing the tax treatment of income from certain sources, such as corporate sponsorships or royalties from sales of branded merchandise, would be more likely to affect only the most commercial teams; it would also create less opportunity for shifting revenue or costs.