

11th General Assembly, 1983, 11-30, III, 32, p. 82.

TAX GROUP EXEMPTION

Personal Resolution 3A

Whereas, the Book of Church Order makes provision for the incorporation only of particular churches (BCO 25); and

Whereas, the Bylaws of the Presbyterian Church in America provide that the PCA shall exist as a corporation; and

Whereas, the General Assembly of the PCA did apply for and receive recognition from the Internal Revenue Service as a 501(c)(3) tax exempt corporation; and

Whereas, the Internal Revenue Code provides that a 501(c)(3) corporation which exists as a "central organization" may obtain a group exemption covering all of the "subordinates ... affiliated with the central organization" (IRS Publication 557, pages 4, 5; see also IRS Packages 1023 and 1024); and

Whereas, the General Assembly, in making application for a determination of exemption did not include the presbyteries, churches, or ministers of the PCA that they might receive the benefits of a group exemption; and

Whereas, the absence of such a group exemption may jeopardize the validity of contributions made to the presbyteries and churches of the PCA; and

Whereas, the absence of such a group exemption has resulted in difficulty, especially with regards to ministers who are members of Grace Presbytery, for ministers who were recently ordained to obtain exemption from self-employment taxes,, i.e., social security taxes, under the provisions of section 1402(e) of the Internal Revenue Code - "conscientious opposition... to accepting (for service performed as a minister...) public insurance" (Form 4361); and

Whereas, BCO 11-4 recognizes that the courts of the PCA "are not separate and independent," that the courts, including the Presbyteries and the General Assembly, "have a mutual relation," and that the General Assembly is the court which has been given the responsibility "to exercise jurisdiction ... over such matters as concern the whole church;" and

Whereas, the General Assembly is therefore the proper court to secure such a tax exempt status applicable to the whole church;

Therefore, be it resolved that the Eleventh General Assembly direct the Committee on Administration to file such information as is necessary to obtain a group exemption for the PCA.

1984, Appendix C, II, N, p. 228

N. Group Exemption

The Eleventh General Assembly directed the Committee on Administration (1) to file information necessary to obtain a group tax exemption for the PCA:

The committee wishes to inform the General Assembly that COA has complied with the directive to apply to the IRS for recognition in order to be exempt under Section 501(c)(3) of the Code.

In complying with this General Assembly directive, COA informed the IRS in its letter of application that PCA churches and presbyteries are already exempt without applying for IRS recognition and that application was made in order to facilitate communications with the tax service.