

IRS Double-Talk About Incorporating Your Church

Look at what the IRS (U.S. Internal Revenue Service) says about incorporating churches and see how misleading their wording is. Notice the use of the word “qualify” (highlighted in bold print in the text box below), as if the IRS is giving you a gift (i.e. tax exemption) when in reality they are putting you under legal obligation to them. Or to put it another way, they are legally enslaving you under the guise of doing you a favor.

Excerpt From Official IRS Document

(<https://www.irs.gov/pub/irs-pdf/p1828.pdf>)

Tax-Exempt Status

Churches and religious organizations, like many other charitable organizations, **qualify** for exemption from federal income tax under IRC Section 501(c)(3) and are generally eligible to receive tax-deductible contributions. To **qualify** for tax-exempt status, the organization must meet the following requirements (covered in greater detail throughout this publication):

the organization must be organized and operated exclusively for religious, educational, scientific or other charitable purposes;
net earnings may not inure to the benefit of any private individual or shareholder;
no substantial part of its activity may be attempting to influence legislation;
the organization may not intervene in political campaigns; and
the organization’s purposes and activities may not be illegal or violate fundamental public policy.

What they are really saying is NOT this:

To qualify for tax-exempt status, the organization must meet the following requirements (covered in greater detail throughout this publication):

but rather this:

If you become 501c3 incorporated, THEN YOU WILL BE LEGALLY OBLIGATED TO COMPLY WITH OUR REQUIREMENTS which include these stipulations, among others, including any new stipulations the IRS comes up with at a later date:

the organization **must be** organized and operated exclusively for religious, educational, scientific or other charitable purposes;
net earnings **may not** inure to the benefit of any private individual or shareholder;
no substantial part of its activity may be attempting to influence

legislation;

the organization **may not intervene in political campaigns**; and the organization’s purposes and activities **may not** be illegal or **violate fundamental public policy**.

And just what does “**violate fundamental public policy** mean? What if “public policy” is to sanction gay marriage, which in fact has become public policy by U.S. law? Then 501C3 churches are legally bound by their 501C3 contracts with the government to not **violate** that policy by what they say or do.

If a church does NOT incorporate as a 501C3 they will NOT be BOUND by the above list of IRS restrictions and yet they will still be tax exempt per the first amendment of the constitution - which for now - protects individual citizens and groups of citizens from government interference in religion. And the IRS knows this and they acknowledge that fact in their own publications as we will see in the next section.

Even the IRS says that CHURCHES ARE TAX EXEMPT:

Believe it or not, even the IRS says *in its very own tax code* that churches are exempt from income tax and need not form a 501c3 corporation for such exemption.

Excerpt From Official IRS 501C3 Document
(<https://www.irs.gov/pub/irs-pdf/p1828.pdf>)

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Churches and religious organizations **are generally exempt from income tax** and receive other favorable treatment under the tax law; however, certain income of a church or religious organization may be subject to tax, such as income from an unrelated business.

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Recognition of Tax-Exempt Status
Automatic Exemption for Churches

Churches that meet the requirements of IRC Section 501(c)(3) **are automatically considered tax exempt and are not required to apply for and obtain recognition of tax-exempt status from the IRS.** Although **there is no requirement to do so**, many churches seek recognition of tax-exempt status from the IRS because this recognition assures church leaders, members and contributors that the church is recognized as exempt and qualifies for related tax benefits.

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The IRS considers this publication a living document, one that **will be revised to take into account future developments** and feedback.

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Any church that incorporates becomes a church that is operating as a government business

“There are profit-making businesses and there are non-profit businesses, but a business is a business in the eyes of [the] government. An incorporated church simply cannot deny the fact that it has requested permission of the State to operate as a business. Not only does it have its charter and articles of incorporation on file with the Secretary of State, but it is also required to list a President, Vice-President, Secretary, and Treasurer. None of these offices were instituted by Christ in His Church (Eph.4:11-12), because **they exist to control** the business dealings of a corporation, not the sacramental duties of the Body of Christ.” (source: <http://ecclesia.org/truth/501-church.html>).

So the bottom-line is that 501c3 incorporation of a church in America is unnecessary, unbiblical and something to be strongly avoided.

Related Material On Incorporating And Unincorporating A Church:

Unincorporate Your Church - With Care!
Reasons To Unincorporate Your Church
Unbiblical Incorporation Of Churches
Church Freedom and The Corporation Sole
501c3 Myths
The Truth About Church Incorporation
501c3: The Devil's Church
