

Publications

District Court Strikes Down Federal Income Tax Exemption For Clergy Housing As Unconstitutional

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In the attached article, Powell and Esedebe discuss a recent district court decision that struck down a federal income tax exemption available only to clergy members for their rental allowance as unconstitutional under the establishment clause of the First Amendment. They explain the court's rationale and discuss the possible implications of this decision should it be appealed and affirmed by the Seventh Circuit and subsequently ruled on by the Supreme Court, including the financial impact on religious organizations and their ministers, the impact on church pension plans, and the availability of other tax exemptions on some employer-provided minister housing.

This article was published in the April 2014 issue of Tax Analysts – The Exempt Organization Tax Review.

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