

MINISTERS' HOUSING ALLOWANCE REVISITED

Many of you have been asking about the Rick Warren case in the 9th Circuit Court of Appeals. It took a decided turn for the worse in March of 2002, when the three judge panel asked for briefs on whether such a provision was constitutional. It was clear the panel believed it

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was unconstitutional. Such a finding would have eliminated the use of a ministers' housing allowance in all 9th Circuit states.

The United States House and Senate stepped in and passed H.R. 4156 (107th Session of Congress) which is titled "Clergy Housing Allowance Clarification Act of

2002." The president signed the bill May 20, 2002. The act amends Section 107(2) of the Internal Revenue Code to read "In the case of a minister of the gospel, gross income does not include - (2) the rental allowance paid to

him as part of his compensation, to the extent used by him to rent or provide a home and to the extent such

allowance does not exceed the fair rental value of the home, including furnishings and appurtenances such as a garage, plus the cost of utilities."

Each minister must now use this as his/her standard in determining how much housing allowance can be claimed.

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