

IS MY CHURCH ALWAYS A TAX EXEMPT ENTITY?

Would that the answer to this question were a simple yes, but it is not. There are many kinds of taxes. Churches are exempt from some – not exempt from others. Do not simply assume that since you are a church, you are exempt. That assumption may prove disastrous.

If your church is properly affiliated with Open Bible Standard Churches, you are exempt from federal income taxes on your church's income. Your church is covered under the Association's umbrella.

Your church may or may not be exempt from state taxes. Each state has its own laws regarding taxation. Your church may be exempt from state income taxes, but not

from sales taxes. Your church may be exempt from property taxes, but only if you have followed the state's rules in filing your request for exemption. Other property owned by your church may or may not be exempt even if your church is exempt. Make it your business to know your state's laws about these matters.

Your church is most likely not exempt from paying the employer's share of social security taxes for your non-ministerial employees. It is possible that your church has opted out of this obligation, but not probable.

This is a very complex area. Please don't be caught unaware. As always, I am happy to answer your questions and serve you.

CHURCH LAW

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