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IRS LTR: Churches Aren't Required to Apply for Exempt Status.

The IRS advised that although there is no application requirement for a church to operate as a tax-exempt organization, many churches seek recognition of tax-exempt status because it assures church leaders, members, and contributors that the IRS recognizes the church as exempt and that it qualifies for tax-related benefits.

Person to Contact and ID Number: * * *
Contact Telephone Number: * * *
Uniform Issue List 508.02-00
Release Date: 3/28/2014
Date: December 23, 2013
The Honorable Jim Cooper
House of Representatives
Washington, D.C. 20515
Attention: * * *

Dear Mr. Cooper:

I am responding to your inquiry dated July 30, 2013, on behalf of your constituents and the tax-exempt organizations they represent. You asked questions about the policy of U.S. Citizenship and Immigration Services that requires religious organizations to provide a determination letter from us with an application for an R-1 (Temporary Religious Worker) visa that the organization is tax-exempt under section 501(c)(3) of the Internal Revenue Code (IRC), even if that religious organization is otherwise not required to have a determination letter. Specifically, you requested information on the application requirements for places of worship.

I apologize for the delay in responding to your inquiry.By law, churches, their integrated auxiliaries, and conventions or associations of churches are not required to apply with us to operate as tax-exempt organizations. The law also excludes churches from the requirement to file federal annual returns. Churches are excluded from Federal Unemployment Tax (FUTA) liability, but generally are liable for Federal Insurance Contributions Act (FICA) taxes. State and local governments have various exemptions for churches.

Although there is no requirement to do so, many churches seek recognition of tax-exempt status from us because such recognition assures church leaders, members, and contributors that we recognize the church as exempt, and it qualifies for related tax benefits. For example, contributors to a church we recognize as tax exempt would know that their contributions generally are tax-deductible. To get such recognition, the church must file a Form 1023, Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code, and pay the user fee. When we do formally recognize a church’s exempt status, we provide a determination letter to that organization.

Your constituents can find more information about religious organizations and federal tax exemption

on our website, www.irs.gov/Charities-&-Non-Profits and clicking on “Churches & Religious Organizations” in the left column. Additionally, your constituents can find information regarding applying for a determination letter of tax-exempt status on our website, www.irs.gov/Charities-&-Non-Profits and clicking in “How to Apply to Be Tax-Exempt.”

This letter is for informational purposes only and provides general statements of well-defined law. It is not a ruling and taxpayers cannot rely on it as such.(Rev. Proc. 2013-1, 2013-1 I.R.B. 1; Rev. Proc. 2013-4, 2013-1 I.R.B. 126). We will make this letter available for public inspection after deleting names, addresses and other identifying information, as appropriate, under the Freedom of Information Act (Announcement 2000-2, 2000-2 I.R.B. 295). I have enclosed a copy of this letter with the proposed deletions.

I hope this information is helpful. If you have any questions, please contact me at * * * or * * * (Identification Number * * *) at * * *.

- Sincerely,
- Kenneth C. Corbin
- Acting Director,
- Exempt Organizations

Enclosure

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