

‘Significant’ Church Tax Battle

A church bookstore in Nashville is at the center of a legal battle being viewed as a major test case for religious freedom.

Authorities have ruled that For His Glory Bookstore at Christ Church is not eligible for property tax exemption and owes a portion of \$350,000 in dues dating back to 2004.

Leaders have warned that if the ruling “under appeal” is upheld, it could set a significant precedent for church bookstores and other church ministries not only in Tennessee, but also in other parts of the country.

The dispute has turned the spotlight on the church founded in 1949, which has grown to a present-day membership of around 3,000 with a wide range of ministries in its south Nashville community.

Its application for property tax exemption for new facilities, including a bookstore, opened in 2004 was turned down. The church was “very surprised,” said Linda Hilliard, administrator. “The whole purpose for having a bookstore is to help the congregation, to get the books they need for study and discipleship.”

Following an appeal to an administrative judge, authorities approved tax exemption for parts of the center, but the bookstore and cafe were among other parts denied. A further appeal was heard in August 2010 and dismissed.

Since then the church has been readying another challenge to the decision, but has closed the cafe and relocated and reduced the size of the bookstore pending a final outcome.

Erik Stanley, senior legal counsel with the Alliance Defense Fund (ADF), which is representing the congregation, said that the Christ Church case is “incredibly significant” for other churches. “Wrapped up in tax exemption issues are a lot of other issues of the government making determinations about what is religious and what is not,” he said. “There are very serious constitutional concerns that are at stake.”

Read the full report in the December issue of *Christian Retailing*.

PICTURED (left to right): Manager Katy Mashburn, Senior Pastor Dan Scott, Church Administrator Linda Hilliard