

Trump Signs New Law Cutting Taxes for Churches

On Dec. 20, President Donald Trump repealed a 2017 Republican bill, cutting taxes for churches as they head into 2020.

H.R. 1865, the "Further Consolidated Appropriations Act, 2020," repeals what was called the "parking lot tax," which required churches and charitable nonprofits to pay a 21% tax on parking spaces and transit subsidies, according to .

The new bill was sponsored by Rep. Bill Pascrell Jr., a Democrat representing New Jersey's 9th congressional district.

The bill's repeal is retroactive, meaning that the IRS will soon provide guidance regarding how churches can claim a refund on taxes they paid since 2017 due to the "parking lot tax."

Churches gladly welcome the tax break.

"This repeal comes as a welcome relief for millions of Americans, lifting this burden from nonprofits and houses of worship around the country," says Russell Moore, president of the Ethics & Religious Liberty Commission. "Churches must never again be seen as untapped sources of government revenue."

Moore also celebrated the concerted effort of House and Senate leaders to make this bill possible.

"In these contentious days, finding a bipartisan area of agreement in Congress is worth celebrating," he says.

The Catholic Church also released statements praising the bill.

Archbishop Paul S. Coakley, chairman of the U.S. Conference of

Catholic Bishops' Committee on Domestic Justice and Human Development, and Bishop George V. Murray, chairman of the Committee for Religious Liberty, released a joint statement:

"By requiring nonprofits and houses of worship to pay taxes on parking and transit benefits provided for their employees, Section 512(a)(7) entangles the IRS with houses of worship and drains the charitable sector of vital resources. We welcome its repeal."