Will Tenn. Government Be Allowed to Decide What Ministry Is?

Alliance Defending Freedom will make arguments before the Tennessee Court of Appeals Wednesday in a lawsuit that challenges the government’s authority to make decisions about how Christian ministry is defined.

Christ Church Pentecostal is appealing a lower court’s decision to deny the church tax-exempt status on part of its property under the argument that they are not an integral part of the church’s ministry—even though the facilities, a gymnasium and nonprofit bookstore are used exclusively for ministry outreach. Tennessee law allows similar facilities that are not on church property to be tax-exempt.

“Churches shouldn’t be treated differently than other entities in Tennessee—such as college bookstores, family wellness centers and hospital gift shops—that are tax-exempt by law,” said Erik Stanley, ADF senior legal counsel. “Saying that such facilities are tax-exempt except if you’re a church is clearly wrong. It’s a widely known fact that churches across America effectively use facilities such as gyms and bookstores for clear, religious purposes and are exempt from property taxes just like other organizations that serve the community—often at a loss.”

In March 2007, the Davidson County assessor denied Christ Church Pentecostal’s total tax exemption for its bookstore and gym. An administrative law judge upheld the decision in November 2009 but granted the gym a 50 percent exemption. Alliance Defending Freedom attorneys appealed, arguing that the ruling conflicted with the church’s constitutionally protected rights, Tennessee Supreme Court precedent and state statutes. Both the Assessment Appeals Commission and the Chancery Court upheld the judge’s ruling.

“Tax exemptions for churches are vitally important because it doesn’t make sense to penalize organizations that help serve the community and don’t exist for profit—and that’s certainly true with this church,” Stanley explained. “The taxing authorities in this case determined that the facilities were not integral to a religious purpose of the church, but when you look at the U.S. Constitution, that’s clearly a question for the church, not the state.”