

RESOLUTION 3

AUTHORIZATION TO APPLY FOR GROUP TAX EXEMPTION DETERMINATION BY THE FRANCHISE TAX BOARD

Resolved, That the Episcopal Church in the Diocese of California is authorized to apply to the Franchise Tax Board of California on behalf of the cathedral church and all parishes and missions of the Diocese for a group exemption determination of their tax-exempt status.

Explanation: Churches must have tax exemption determinations from both the Internal Revenue Service and the California Franchise Tax Board in order to claim tax-exempt status and to accept tax deductible donations. Since 1976, the Diocese and its cathedral, parishes, and missions have enjoyed a “group exemption” determination by the IRS. That means the IRS automatically recognizes all our congregations as tax-exempt. This helps prevent the accidental loss of federal tax-exempt status by congregations if they make mistakes in paperwork.

A comparable group exemption is available from the Franchise Tax Board, but the Diocese does not yet have it. In recent years several congregations have had to apply individually to the Franchise Tax Board to maintain their tax-exempt status, which is slow, cumbersome, and potentially costly. The Franchise Tax Board will allow the Diocese to apply for a group exemption for its congregations only if they specifically authorize the Diocese to do so. This resolution would provide the necessary authorization, so that all congregations can enjoy a group exemption determination from the Franchise Tax Board.

Submitted by: Christopher J. Hayes, Chancellor of the Diocese. Questions may be directed to Christopher Hayes (christopher.hayes@borowsky.com).