

December 2016

## Editorial Comment

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### Recommended Citation

Edward T. Fagan (2016) "Editorial Comment," *The Catholic Lawyer*: Vol. 15 : No. 2 , Article 2.  
Available at: <http://scholarship.law.stjohns.edu/tcl/vol15/iss2/2>

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# Editorial Comment

For the past several months much attention has been focused on Congressional hearings held by the Ways and Means Committee of the United States House of Representatives on the subject of tax reform legislation. An important sub-topic involved in these deliberations was the subject of tax exemptions for churches. Such exemptions have become increasingly difficult to justify when they relate to income derived from *active* operation of an *unrelated* commercial business enterprise.

In consequence, on May 2nd of this year The National Council of Churches of Christ in the U.S.A. and the United States Catholic Conference in a joint statement to the House Ways and Means Committee endorsed two proposals for tax reforms which affect churches. One would eliminate the historic church exemption from taxation of unrelated active commercial activities. The second would eliminate a potential abuse from the use of debt financing to acquire commercial income property.

Apart from its substantive provisions, the statement, which is printed in this issue, is significant also as the first *written* joint agreement between the two church groups. Ecumenically, however, there have been other forms of meaningful but less formal collaboration in the past at several levels of responsibility within the two groups in such matters as poverty, civil rights and the like. Also, it is probably the first time the beneficiaries of tax exempt status have requested the Congress to eliminate it or to close a statutory loophole permitting it.

The U.S. Treasury Department proposals for tax reform which were made at these hearings were far more extensive, however, in their restriction of tax exemption to churches than the proposals embodied in the joint statement of N.C.C. and U.S.C.C.

In effect, if the Treasury Department proposals are ultimately adopted it will result in a substantial reduction of the income of all presently exempt organizations.

In view of the widespread interest in this matter THE CATHOLIC LAWYER features an article in this issue which analyzes these Treasury Department proposals and argues that many of them are unfair and unwise. Written by Charles Whelan, S.J. and William Consedine, the article, entitled "Church Tax Exemptions" seeks to resolve the complex and delicate Church-State relationships in the area of tax, in an equitable manner preserving the best interests both of religion and the Government.

Elsewhere in this issue the subject of abortion legislation is again examined to provide further resource material for readers who have requested a supplement to the symposium on abortion law published last summer.

A handwritten signature in black ink, appearing to read "Edward Tegan". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

**EDITOR**