Thanks to a Father Who Knows Best

The apostle Paul exhorts us to "give thanks always in all things" (Eph. 5:20). Our thankfulness does not truly depend on the abundance or absence of what we perceive as blessings. Instead it is all wrapped up in our prayerful and joyful acknowledgement of a benevolent Father who is constantly working for our best good. So instead of turkey and stuffing this year, we wish for you the calm assurance that with Him, all is well.

PLR Campaign Reaps 216 Tons of Rice
During the 15th Positive Life Radio (PLR) annual Rice for Cambodia Campaign, which recently ended, listeners pledged $129,610. This amount will buy 216 tons of rice to feed 8,640 families for a month. “What a great opportunity to look beyond the Inland Northwest to the international needs that are within our ability to affect for good,” says Paul Richardson, PLR general manager. The rice will be distributed in July 2014. For more information about the campaign, call Positive Life Radio at 800-355-4757, or visit plr.org.

Has Your Church Been Winterized?

Winter is around the corner but freezing temperatures have already reached the Northwest. With low temperatures comes increased risks, not just to your own home but also to your church building. Adventist Risk Management (ARM) wants to be sure the churches are taking steps to ensure their buildings are winterized too. In the last five years, ARM has paid out nearly $3 million to fix frozen pipes alone! One recommendation is that heat should be set no lower than 55°F. To learn other tips for winterizing your buildings, visit AdventistRisk.org.

Adventist People Connected

Most people know what happens at their local church and many know what their local conference does, but what about beyond that? The General Conference communication department has released a short video explaining how your local church is connected to churches and people on the other side of the world. The video includes statistics about the larger world church and is a great resource for members and non-members alike. Watch "Adventist People Connected."
What Your Pastor Wishes You'd Do
You may go faithfully to church every Sabbath. You might help out with potlucks and Pathfinders. You may even join the volunteers on a Sunday to spruce up the church's landscape. But with some tips from the North American Division ministerial department, here are 10 things your pastor really wishes you would do.

Northwest Author Explores Benefits of Faith
Julián Melgosa, Walla Walla University professor at the School of Education and Psychology, is the author of a recently published book entitled The Benefits of Belief: How Faith in God Impacts Your Life. He incorporates research and personal stories to reveal the positive effects on mental health and well-being of maintaining a religion and a spiritual connection with God. His findings include a discovery that Scripture reading improves relationships, eases stress, struggle, pain, and protects against the use of alcohol, tobacco and illegal drugs. Melgosa's book is published by Pacific Press Publishing Association and available online at adventistbookcenter.com.

Clergy Tax-Free Housing Allowance Ruled Illegal
A United States federal judge ruled this week that the "parsonage exemption" for clergy is unconstitutional. The exemption is being challenged by the Freedom From Religion Foundation, an atheist group advocating for greater separation of church and state. In her ruling, U.S. District Court Judge Barbara Crabb said the law benefits "religious persons and no one else." Responding to the ruling, Tom Wetmore, associate general counsel for the Seventh-day Adventist Church, says "This ruling is a huge deal because it would have a dramatic impact in how the church compensates its ministers." The exemption dates back to 1954 when Congress established the Internal Revenue Service. Section 107 of the tax code permits a "minister of the gospel" to designate some compensation as a housing allowance and exempt it from income tax. Forbes.com has an article explaining the background of the tax. Read more about the recent ruling from Adventist New Network.
Looking Ahead

November

28: Happy Thanksgiving!

December

14: Kirkland, WA Concert Series
14: Holiday Concert, Portland, OR
20: Sunnyside Church Musical Christmas Program
25: Merry Christmas!

More Events

As we head through the holiday season, author Mike Jones asks a simple question: What was Jesus thinking before leaving heaven and coming to this world? Read more in the December GLEANER.
North American Division Ministerial Association - 10 Things Pastors Wish Their Congregations Would Do

10 Things Pastors Wish Their Congregations Would Do

By Dave Gemmell.
1. **Pray** for your pastor. The pastor is the spiritual catalyst for the church. That makes the pastor a great big target for the enemy. Pray for the pastor’s spiritual health. Pray for protection. Pray for wisdom. Pray that the catalytic gifts of apostleship, prophecy, teaching, evangelism, and shepherding will grow strong in your pastor. The most affirming words that a pastor ever hears is “pastor, I’m praying for you everyday.” Romans 15:30, 2 Corinthians 1:11.

2. **Affirm** your pastor. Pastoring may be one of the most difficult jobs in the world these days. Pastors live in a highly concentrated environment where they see the results of sin on a daily basis through caring for humanity. While the average person may see a death, injury, illness, or family conflict occasionally, the pastor lives through these things on a weekly basis. Though pastors don’t live for affirmation, words of validation do provide a lifeline of strength through treacherous times. Those little notes saying ‘pastor, you’re making a difference,’ may be the very thing that helps your pastor make it through another day. Acts 4:36

3. **Bless** the pastoral family. Pastoral stress leaks into families and is enough to test all the family bonds. Throw in a few wild expectations about how a pastoral spouse and pastoral kids are supposed to behave and you have a recipe for a family meltdown. The antidote is the blessing. Bless the spouse. Bless the kids. Let go of any expectations and treat the family with a rich blessing of heaven’s grace. And of course to relieve the financial pressure, return a faithful tithe so that the pastor is secure in getting a regular paycheck. 1 Corinthians 9.14

4. **Release** the pastor from constant ministry so renewal can take place. Pastors who go 24/7 for days, weeks, and months on end will inevitably self destruct. Mandate that your pastor takes weekly breaks for spiritual renewal as well as annual extended breaks for study leave and vacation. It is a small price to pay for the rich spiritual energy that comes as a result of regularly releasing you pastor from ministry. Matthew 14:23

5. **Talk** with your pastor, not about or around. Complaining about the pastor to someone else is corrosive for the entire church family. Writing anonymous critical notes to the pastor are acts of spiritual terrorism (by the way smart pastors just throw them in the trash can without reading them). If you have a problem with the pastor, talk directly to the pastor and try to work it out. If resolution can’t be found, then bring a spiritual leader with you and seek resolution. And then (and only then) if resolution is not found, bring together a larger group to dialog with the pastor. Challenge privately. Affirm publicly. Matthew 18:15-17

6. **Forgive** your pastor for falling short of your expectations; because no pastor will perfectly satisfy your ideals. Remember that your vision of what a pastor should be is probably unique to you. Everyone else in the congregation also has unique expectations. Many of the expectations are mutually exclusive. Your pastor will also make some mistakes. All pastors do. Extend to your pastor the same grace that God extends to you. If your pastor knows that he/she practices ministry in a safe, grace filled congregation where risk taking is expected and stagnancy is deplored, your church can become spiritually turbocharged. Matthew 18:21,22.

7. **Feed** yourself spiritually. Don’t expect to live on a limited spiritual diet of thirty minute weekly sermons. Going seven days without eating makes one weak. Even with the best sermons you will spiritually starve to death. The role of the shepherd is not to stick grass in the mouths of sheep but to lead the sheep to green pastures. As you listen to the great sermons that your pastor preaches may you be inspired to get into the word yourself everyday in prayer filled Bible Study. Psalm 23:2

8. **Bond** with a small group. Don’t expect the primary pastoral care to come from the pastor. It is mathematically impossible, and primary care is not his/her role. Regular spiritual support occurs in small groups. When you are plugged into a weekly small group you will grow together, pray for one another, care for one another, and support one another through all the ups and downs of life. The pastoral staff and lay pastors can serve as a safety net for those not in small groups as well as care for those in life transitions. Matthew 18:20

9. **Follow** the leader. The pastor is not the CEO of the congregation, that role is reserved for Jesus. However the pastor has been given the gift of apostleship and you should take your cue from the pastor and follow after Jesus. Let your pastor lead. With leadership comes change. Things will be different. Since the founding of the church God has brought a succession of quality pastors, each one with leadership to take your church to the next level. God gives your pastor vision. Help the pastor flesh out the vision and then do your part to turn the vision into reality. Hebrews 13:17

10. **Exercise** your spiritual gifts. Pastoral gifts don’t do much by themselves. However if you let those catalytic gifts energize your gifts, you will come alive spiritually. Let the pastor equip you so that your church family can reach unity in the faith and knowledge of the Son of God and become mature, attaining to the whole measure the fullness of Christ. Take advantage of the teaching and ministry opportunities.
at your church. Place yourself in optimal places for spiritual growth. *Ephesians 4:11,12*

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Ministers are allowed to exclude the portion of their compensation designated as a housing allowance from their taxable income. Quite a few people question the constitutionality of this provision and it looks like it may be finally put to the test. A federal district court has ruled that the Freedom From Religion Foundation has standing to proceed with its suit against the exclusion (Code Section 107). There are arguments that the provision is constitutional, though. I have invited Frank Sommerville to make the case for Section 107’s constitutionality. Mr. Sommerville is a lawyer and a CPA from Dallas Texas. He has written and lectured extensively on issues affecting not-for-profits.

HISTORICAL CONTEXT OF SECTION 107

Section 107 is best analyzed by reviewing the historical context surrounding the development of Section 107 of the Internal Revenue Code, the clergy housing allowance. Section 107 is only one part of the larger statutory framework of exclusions for employees who receive employer-assisted housing due the requirements of the job and for the convenience of their employers. See Joint Committee on Taxation, General Explanation of the Tax Reform Act of 1986, (JCS-10-87) May 4, 1987, at {54} (in amending I.R.C. 265(a) “Congress concluded that it was appropriate to continue the long-standing tax treatment…claimed by ministers and military personnel who receive tax-free housing allowances”).

Current tax policy lightens the tax burden of the taxpayers who receive qualifying employer-assisted housing. See Sections 107 (clergy housing), 119 (general housing), 134 (military housing), and 911(a)(2) (foreign housing). Congress created these tax-free housing allowances within its discretion and to demonstrate a willingness to give tax breaks to classes of taxpayers who have little choice about their personal living space. Whether the employer provides a cash allowance or a home, each benefit serves the same purpose; that is, often the employer’s needs affect the living space needs of its employees. Many times, these classes of employees frequently relocate, thus preventing them from settling down and hindering long term close friendships. Further, the employers frequently require them to use their homes to conduct employer business. Additionally, the employee’s place of service may not be desirable. These employees must reside where their employer requires and must frequently use their residence for employer business. Some employees sacrifice amenities that most citizens take for granted, such as long term stability in one locale and privacy.

Tax favored employer-assisted housing existed in both the statutory and common law of taxation prior to the enactment of the Internal Revenue Code of 1954. In fact, all the Internal Revenue Code references to taxation of employee assisted housing began with “convenience of the employee” doctrine. As discussed below, the convenience of the employer doctrine was recognized by the Bureau of Internal Revenue in 1919, before it was ever codified. Section 107 traces its origin to the convenience of the employer doctrine beginning in 1921; Section 134 traces its origins to the convenience of the employer doctrine beginning in 1919; while Section 911 traces its origins to the convenience of the employer doctrine beginning in 1926. Together these code sections create a logical framework that Congress created for addressing the taxation of employer assisted housing. Due to their common origin, they have many elements in common and should be analyzed together.

The Bureau of Internal Revenue addressed employer-provided housing and meals very early. O.D. 265, 1 C.B. 71 (1919) (providing that the value of the meals and lodging furnished a seaman was not taxable compensation). Dubbed the “convenience of the employer” doctrine, the concept looks at employees who had very little say in the place of their residence or where they ate meals. The basic premise: taxable compensation does not include housing and meals provided for the convenience of the employer. Other governments have typically excluded this type of benefit from taxation for thousands of years. Seaman, ranchers, innkeepers, ministers, military officers and the President of the United States all have benefited from this doctrine since at least 1919.

In 1920, the year after the original pronouncement, the Treasury Department amended its income tax regulations to formalize this doctrine. T.D. 2992, 2 C.B. 76 (1920), amending Treas. Reg. 45, Art. 33. Later that same year, the Bureau of Internal Revenue also expanded the concept to include cash payments in lieu of in-kind meals. O.D. 514, 2 C.B. 90 (1920) (the value of supper money given employees who worked late was not compensation).

Announced by the Treasury Department in 1920, the convenience of the employer doctrine required inquiries into the duties required of the
employee and how the employer-provided housing affected the employee’s performance of those duties. As applied to ministers, the 1920 regulation required the Bureau of Internal Revenue to delve deeply into a minister’s duties and responsibilities, entangling the Bureau with the inner workings of religion. By deciding the necessity of such housing, the Bureau was forced to judge how churches conducted their religion. Thus, the results could have very easily violated the Free Exercise Clause.

In 1921, Congress prevented such inquiries by codifying the convenience of the employer doctrine as it would apply to ministers. Section 213(b)(11) of the Revenue Act of 1921, Pub. L. No. 67-98, ch. 136, 213, 42 Stat. 227, 239 (1921). Section 213(b)(11) became the present Section 107(1), except for one change. The former statute referred to the minister’s “dwelling house and appurtenances thereof” instead of his “home.” Section 213(b)(11) prevented unconstitutional inquiries into the church’s housing arrangement with the ministers, thereby fostering the separation of church and state while still excluding from taxable compensation church provided housing.

The Court of Claims expanded the convenience of the employer doctrine by holding that a cash housing allowance paid to military officers also qualified under the doctrine. Jones v. United States, 60 Ct. Cl. 552 (1925). In describing this concept, the Court of Claims held that the furnishing of the housing was an “inseparable incident of the office itself.” Id. at 574. This holding is very similar to the minister housing allowance because the church provides the housing as an incident to the office of the minister. With this decision, the court expanded the convenience of the employer doctrine to include cash allowances for housing. Section 213(b)(11) of the Revenue Act of 1921 became Section 22(b)(6) of the Internal Revenue Code of 1939. Eventually, ministers successfully claimed they were entitled to the same tax-free cash housing allowance that was available to the military and to secular employees under the convenience of the employer doctrine. See MacColl v. United States, 91 F. Supp. 721 (E.D. Ill. 1950) (minister’s cash housing allowance excluded from taxable income under Section 22(b)(6) of Internal Revenue Code of 1939); Conning v. Busey, 127 F.Sup. 958 (E.D. Oh. 1954) (same result). In Williamson v. Commissioner, 224 F.2d 377 (8th Cir. 1955), the appellate court expressly relied on the convenience of the employer doctrine and Section 22(b)(6) of the Internal Revenue Code of 1939 to allow a minister to exclude from taxable income a cash housing allowance. The Internal Revenue Service eventually acquiesced to this decision. See Rev. Rul. 56-68, 1956-1 C.B. 604. In reality, Congress simply codified what some courts had believed to be the law when it enacted Section 107(2) in 1954.

The convenience of the employer doctrine existed essentially unchanged until 1954. By that time, many disputes had arisen under the common law doctrine. Thus, in the 1954 amendments that became the Internal Revenue Code of 1954, Congress modified the convenience of the employer doctrine by adding Sections 119 and 911 and amended Section 107. The result was that Section 119 added the condition that the employer-provided housing must be on the employer's premises. Such premises were defined as the place where a majority of the employer’s activities occurred. Section 119 also prohibited cash housing allowances.

Noticably, Congress excluded the minister and military housing allowances from the new, restricted Section 119. By enacting Section 107(2), Congress simply kept the existing tax treatment of all ministers by recognizing in the statute that their cash housing allowance was tax-free like the cash military housing allowance. Before 1954, if a church owned a home (parsonage, rectory or manse), its ministers paid less in taxes than those ministers serving in churches that did not own a home. Section 107(1) dictated the form of compensation paid ministers and discriminated against churches that could not afford to own housing or that otherwise preferred minister-owned housing for reasons of polity.

Section 107(1) gave incentives for churches to own real estate and to exclude those residences from the local property tax rolls. Ministers in churches who did not own a home asked Congress for parity with their fellow ministers who lived in church-owned homes. We believe that the enactment of Section 107(2) added many ministers’ homes to the local property tax rolls.

If Section 107 is analyzed as part of the employer assisted housing tax exemption, it appears to be a reasonable accommodation to religious freedom and constitutional.

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U.S. federal judge strikes down law giving clergy tax-free housing allowance

A U.S. federal judge in Wisconsin ruled that the "parsonage exemption" for clergy is unconstitutional. Her decision is pending appeal. Above, the parsonage of the First Methodist Church in Monroe, Wisconsin. [photo: James Steakley/Wikimedia Commons]

Rule pending appeal—Adventist Church will likely file friend of court brief

November 26, 2013 | Silver Spring, Maryland, United States | Author: Ansel Oliver/ANN

A United States federal judge last week ruled that the clergy exemption for paying taxes on income designated for housing is unconstitutional, a ruling that if upheld could affect the compensation package of tens of thousands of clergy in the country.

In her decision, U.S. District Court Judge Barbara Crabb said the law, known as the “parsonage exemption,” benefits “religious persons and no one else, even though doing so is not necessary to alleviate a special burden on religious exercise.”

The exemption for clergy, she wrote, violated the Establishment Clause of the First Amendment, which prohibits Congress from making a law “respecting an establishment of religion.”

Crabb said her ruling would not be enforced pending appeal.

Her decision is the result of a suit brought by the Wisconsin-based Freedom From Religion Foundation, which advocates for the separation of church and state. The foundation sued the U.S. Treasury secretary and Internal Revenue Service commissioner over the exemption, which was passed by Congress in 1954. Section 107 of the Internal Revenue Code permits a “minister of the gospel” to designate some compensation as a housing allowance and exempt it from income tax.

“This ruling is a huge deal because it would have a dramatic impact in how the church compensates its ministers,” said Tom Wetmore, associate general counsel for the Seventh-day Adventist Church. “We have long depended on this tax benefit for the compensation package for our clergy in North America.”

The after-tax benefit to Adventist ministers is estimated between 5 and 10 percent of their total compensation package, he said.

Wetmore said the ruling also raises questions about other aspects of the tax status of ministers and other unique tax rules for churches, such as exemptions from reporting revenue activities and church benefit plans.

The case is expected to be appealed to the 7th U.S Circuit Court of Appeals in Chicago. If so, Wetmore said the Adventist Church would likely file an amicus brief (friend of the court) or join an amicus brief brought by other groups.
Upcoming Events | GleanerOnline.org

Sunnyside Church’s 32nd annual Musical Christmas Program

Invite your friends to enjoy an evening listening to some of Portland’s finest musicians. Bring your music and join in singing the “Hallelujah Chorus” for the finale. An offering will be taken at the door for the ministry that feeds the hungry at O’Bryant Square. We hope to see you there.

Find out more »

Alvin Woodruff’s 96th Birthday

Alvin Woodruff, Falls City Church member, will turn 96 on Dec. 29. A celebration of his 96th birthday will be Jan. 5, 2014 at the Polk County Fairgrounds in the arts and crafts building, in Rickreall, Ore. There is an open invitation to all. Send your best wishes to Alvin by writing to 14595 Forest Hill Dr., Monmouth, OR 97361 or calling 503-623-5358.

Find out more »

FREE

Washington Conference Youth Rally

The Washington Conference Youth Rally is designed to help high school aged youth discover their place in the church. The day will feature powerful worship music, testimonies, drama, breakout sessions and engaging preaching, including featured speaker Dan Jackson, North American Division president. The event is free. An optional lunch will be served in the dining hall for $10. This must be purchased ahead of time. Youth groups who have further to drive may reserve cabins to stay over on Friday…

Find out more »

$20

Steve Green in Concert

Grandview Adventist School is hosting Steve Green in concert. The concert will be held at the Sunnyside High School Auditorium, 1801 E. Edison Ave., Sunnyside, WA. Tickets are $20 for adults and $10 for children 6–12. For more information, call the school at 509-882-3817 or 509-439-1054. Come and enjoy an evening with Steve Green.