



Tax Information for Donors and Clergy

Information for Donors about Gifts to ELCA Congregations and Organizations

This is an explanation of the group ruling process for potential donors to Evangelical Lutheran Church in America (ELCA) congregations, synods and other affiliated organizations.

The ELCA is a 501(c)(3) tax exempt organization. In addition, the Internal Revenue Service (IRS) has issued a letter to the ELCA churchwide organization giving the ELCA authority to determine and verify which congregations, synods and other affiliated organizations are included in the ELCA's group exemption from federal income tax because they qualify as affiliates or subordinates.

[IRS Publication 4573](#), explains that the central organization church, the ELCA churchwide organization, may issue a letter verifying inclusion of an ELCA congregation or other affiliated ELCA organization in the group exemption. That letter from the ELCA is accompanied by a copy of the IRS inclusion letter.

[IRS Publication 4573](#) also explains how donors may verify the inclusion of the ELCA in the group ruling exemption with the IRS. They may also search for the ELCA on IRS.gov using the "[Exempt Organization Select Check](#)" tool.

This online resource lists the Evangelical Lutheran Church in America, Chicago, Illinois. As stated by the IRS, the actual donee, such as a congregation or affiliated or subordinate organization, need not itself be listed online. "Donors may rely upon central organization verification with respect to deductibility of contributions to subordinates..." ([IRS Publication 4573](#))

We hope this assists you in understanding the group ruling process and specifically the way donors may review the documentation of tax deductibility of gifts to ELCA congregations and organizations.

For more information on the group ruling process see [ELCA Group Exemption Procedure](#).

Clergy Tax Issues

IRS Publication 517 [Social Security and Other Information for Members of the Clergy & Religious Workers](#) 

IRS Publication 1828 [Tax Guide for Churches and Religious Organizations](#) 

The IRS has released a [Minister Audit Technique Guide](#). This resource provides insights into how the IRS examiners will review tax returns for clergy if they are audited.

[IRS Publication 517](#) is a very useful reference tool in navigating the maze of IRS regulations that pertain to members of the clergy and religious workers. In this publication you will find step by step instructions on all things pertaining to pastoral tax returns, including:

- Personal income tax
- Social Security taxes
- Self-employment taxes and exemptions
- Exemption from FICA taxes
- Retirement savings arrangements
- Earned income credit and
- W-2 information

What is great about this publication is that it includes a comprehensive example of a sample pastor's return with all the forms filled in. Click on the link below to print a copy of this useful IRS publication.

For more information, go to www.irs.gov and search under clergy tax or similar topics.

Clergy Tax resources from Portico Benefit Services

Another aid is the **2013 Tax Return Preparation Guide for 2012 Returns for Clergy**. This is an 83-page document, but is easy to read and understand. It also includes completed examples of the required tax forms and explains in detail how the specific tax rules are applied to clergy. What is unique about this guide is that it goes into detail on each step of each form so it can be used as a reference guide if you need more detail regarding a specific issue or situation. This guide, available from Portico Benefit Services, can be obtained using the following instructions:

Log in to your retirement account at the [Portico Benefit Services website](#);

1. Click on **Retirement Center** dark grey menu across the top of the page;
2. Click on **Tax Planning Resources** under [Tools and Information](#); and

3. Click on *Tools* all the way on the right, and then select **2013 Tax Return Preparation Guide**.

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