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Christian Crusade For Tax Benefits

I recently wrote—with tongue in cheek—about forming a church as tax planning. See [Don't Like Taxes? Form A Church](#). Whether church or church-related, it turns out there's more there to that topic than you might think. Take Christian Lawyer [Jay Sekulow](#), in the spotlight for what some are suggesting is a less than non-profit approach to the modern day crusades.



According to the [Tennessean](#), Mr. Selulow and his family reap millions from two charities, [Christian Advocates Serving Evangelism](#) and [American Center for Law and Justice](#). The latter involves famous Christian broadcaster Pat Robertson. Charities and churches can pay for goods and services like anyone else whether they're out to make a profit or to save souls.

Big payments for goods or services don't necessarily violate the tax law. But there is IRS scrutiny to be sure there's no "private inurement." Public charities and churches are supposed to benefit the general public, not private individuals. Some tax exempt organizations called private foundations are subject to different tax rules, but they too can have

problems.

If a tax exempt church or charity pays a founder or someone else more money than is fair for goods or services, it can jeopardize the tax-exempt status of the organization. There's a particularly big risk if it looks like the charity is the founder's own private fiefdom. See [IRS Stirs The Kabbalah Pot](#).

How does the IRS find out about this sort of thing? Although tax exempt, these charities must file tax returns on [IRS Form 990](#). Since 1998, the two Christian charities have reportedly paid out more than \$33 million to Sekulow, his family and businesses they own or co-own. That may be fine—the American Center for Law and Justice's tax attorney describes the payments as made for the benefit of the charity and says the IRS approves.

Private Inurement? The usual key to such arrangements is whether the terms and conditions are at arm's length—the kind of deal unrelated parties strike. That's one reason good documentation, in some cases including outside appraisals, competitive bidding or the like, can be helpful. See [Fancy Appraisals Can Defeat IRS](#).

For more see:

[Giving To Charity. Great. Staying Off IRS Radar. Priceless](#)

[Lawyer Jay Sekulow's Christian Calling Comes with Big Payday](#)

[Flawed & Biased Look at ACLJ and Jay Sekulow](#)

[\\$33M in Charity Payments to CEO, Family](#)

[Tenn. Lawyer's Family, Firm Collect Millions From Charities](#)

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