



Robert W. Wood

THE TAX LAWYER

TAXES 11/14/19

The Church Of Kanye And The IRS

With his new album, [Jesus Is King](#), Kanye West has turned more and more religious. He may have been toying with bankruptcy a few years ago, but today, his fashion and music empires seem to be raking in the cash. True, [Kanye isn't on the Forbes billionaires list just yet](#), but perhaps a name change to [Christian Genius Billionaire Kanye West](#) might change that. But could he actually form his own church? It isn't a silly question. Since the beginning of 2019, his Sunday pop-up Sunday Service seems sort of church-like. True, [applying for a trademark](#) might sound rather commercial, but still. His Sunday Service is music-focused, but includes occasional informal prayers.



In that sense, a [Kanye founds a church](#) headline might not be hyperbole, and the Church of Kanye might not be a crazy idea. Just think of all those tax advantages! For generations, churches have been exempt from federal and state income taxes. What's more, all 50 states and the District of Columbia also give them a pass on *property* taxes. Ever since our founding fathers, it's hands-off for federal income taxes, property taxes and more. We get tax deductions when we donate to churches, and that encourages them to grow bigger and wealthier. The Catholic Church in particular is a treasure trove. In the U.S., churches reap a vast array of tax advantages, including [special rules limiting IRS authority to audit a church](#).

But when you come right down to it, what constitutes a legitimate church? With church status being so desirable, how does the IRS police it? The term "church" isn't even *defined* in the tax code, although the IRS does have a [tax guide for churches and religious organizations](#). The IRS looks for:

1. Distinct legal existence;
2. Recognized creed and form of worship;
3. Definite and distinct ecclesiastical government;
4. Formal code of doctrine and discipline;
5. Distinct religious history;
6. Membership not associated with any other church or denomination;
7. Organization of ordained ministers;
8. Ordained ministers selected after completing prescribed study;
9. Literature of its own;
10. Established places of worship;
11. Regular congregations;
12. Regular religious services;
13. Sunday schools for religious instruction of the young; and
14. Schools for preparing its members.

The IRS generally considers all the facts and circumstances in assessing whether an organization qualifies. It is part of the [tax basics for exempt organizations](#). But unlike other exempt organizations, a church does not even need to [apply for tax exemption](#). The church can just operate that way without the IRS's explicit blessing. Most churches do ask the IRS for exemption, but they are not actually *required* to. This is just part of the proof that for a tax-exempt organization, church status is truly the gold standard.

That is one reason the Church of [Scientology](#) fought against the IRS for so very long. After many years of sparring with the IRS over whether Scientology was a church, there were numerous lawsuits and eventually the IRS [ruled](#) that Scientology was a church. But not everyone was happy. [The New York Times](#) claimed that the IRS reversed 30 years of precedent to grant

Scientology [Section 501\(c\)\(3\)](#) status. As for Kanye, if he wants to go down this road, I'm betting it wouldn't be that hard for his tax people to put it together.

Check out my [website](#).