



## INTERSECTIONS

### An Update for Conference Ministers from the Pension Boards

Dear Colleagues,

Over the past few days, there has been a great deal of national media coverage, as well as conversation on social networks, concerning the decision by the Western District of Wisconsin that ruled the ministers' cash housing allowance unconstitutional. The judge specifically stated that her decision did not apply to housing that is provided to the clergy by their employers, which is allowed under Section 107(1) of the Internal Revenue Code. This provision has been in effect for over 30 years and is likely to stand on its own, and was not challenged in the court case.

At this point, the decision only applies to those counties in Wisconsin that are **shown on this map**. It will be appealed to the Seventh Circuit Court of Appeals. Ultimately, the decision will most likely be appealed to the U.S. Supreme Court or addressed by tax reform. No remedies have yet been imposed. It is expected that any remedies will be suspended until the case is finally decided by the U.S. Supreme Court.

The Pension Boards is deeply concerned about the potential impact of this ruling on UCC authorized ministers. Along with our ecumenical colleagues, we will continue to advocate on behalf of clergy and church plans through the Core Lawyer Working Group of the Church Alliance.

For additional information, please see the links below.

#### **Church Alliance Housing Allowance Case Update**

On Friday, October 6, a federal district court judge ruled that the exclusion from taxation of a minister's cash housing allowance is unconstitutional. The exclusion allows a minister to exclude from taxable income a cash housing allowance designated and paid by his or her church. The Church Alliance will continue to monitor the case. **A summary of the case is available here.**

#### **5 Takeaways from the Clergy Housing Allowance Ruling**

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**Editor's Note:** Last Friday, Judge Barbara Crabb of the District Court for the Western District of Wisconsin struck down the ministerial housing allowance as an unconstitutional preference for religion. **Senior Editor Richard R. Hammar offers five takeaways from this ruling, which churches and clergy nationwide should note now.**

Please be assured that we are monitoring this situation closely and will keep you apprised of any new developments.

Best Regards,

Brian R. Bodager  
President/CEO