

## Where Have All The Churches Gone?

Today, are churches still independent and free, bound only by the Word of the Lord? Or have they been converted into state-controlled corporations? Extensive evidence and research in this area make it clear that most churches have assumed corporate status voluntarily and have thus placed themselves under the control of the State.

The following is just some of the evidence that supports this conclusion:

Most churches in America are not-for-profit corporations. Black's Law Dictionary, Sixth Edition, defines the word "**corporation**" as:

*"An artificial or legal person created under authority of the laws of a state or nation. ..."*

What is an "artificial person"? Black's Law Dictionary provides the following definition:

*"Person created and devised by human law for the purpose of society and government. ..."*

Corporate status has many legal consequences. Since they are artificial entities created by the State, corporations are totally subject to State control. This creates an obvious threat to individual and religious freedom. For example, anyone doing business as a corporation is operating a franchise, which Black's defines as:

*"A special privilege conferred by government on an individual or corporation and which does not belong to Citizens of a country generally of common right. ..."*

The Supreme Court of the United States made the distinction between individuals and corporations very clear in its opinion in Hale v. Henkel (201 U.S. 43, 74 & 75 (1906)) by stating the following:

*"we are of the opinion that there is a clear distinction in this particular between an individual and a corporation, and that the latter has no right to refuse to submit its books and papers for an examination at the suit of the State. The individual may stand upon his constitutional rights as a citizen. He is entitled to carry on his private business in his own way. His power to contract is unlimited. He owes no duty to the State or to his neighbors to divulge his business, or to open his doors to an investigation, so far as it may tend to incriminate him. He owes no such duty to the State, since he receives nothing there from, beyond the protection of his life and property. His rights are such as existed by law of the land long antecedent to the organization of the State, and can only be taken from him by due process of law, and in accordance with the Constitution. Among his rights are a refusal to incriminate himself, and the immunity of himself and his property from arrest or seizure except under a warrant of the law. He owes nothing to the public so long as he does not trespass upon their rights.*

*'Upon the other hand, the corporation is a creation of the State. It is presumed to be incorporated for the benefit of the public. It receives certain special privileges and franchises, and holds them subject to the laws of the State and the limitations of its charter. Its powers are limited by law. It can make no contract not authorized by its charter. Its rights to act as a corporation are only preserved to it so long as it obeys the laws of its creation.'*

Since our religious rights come from God, not government, and these rights are protected by both the State and federal Constitutions, why would a church want or feel the need to incorporate?

Most pastors or ministers may attempt to justify incorporation as a requirement for the “church” to acquire “tax exemption” status. In other words, “churches” wanted to get a privilege for receiving gifts from their members, who could only get a “tax break or deduction” if giving to a “non-profit organization.” Although this provides no direct benefit to the church (which, once incorporated, is legally defined as a religious organization, not a church), it seems to provide a charitable tax deduction to members of the religious organization.

What is an *exemption* for tax purposes? An exemption provides a release, discharge, waiver, or relief from liability. Does a church need an exemption from taxes? **No!** According to 26 Internal Revenue Code (I.R.C.), Section 508, **churches are not tax exempt; they are tax excepted**, meaning that churches do not owe taxes in the first place. Churches have a mandatory exception from taxation under Section 508(c)(1) of the Internal Revenue Code.

Nevertheless, almost all churches in America have registered as tax exempt, non-profit corporations under 26 I.R.C. Section 501(c)(3). Most are also subject to State statutes governing not-for-profit corporations (In Pennsylvania, 15 Pa. C.S.A., Section 7311-7320, re-codified at 15 Pa. C.S.A., Section 5301-5310, 54 Pa. C.S.A., Subsection 501, Chapters 3 and 5).

So why be concerned if a church is registered and exempt? The incorporated, licensed, or registered church no longer may serve God in the manner which it chooses, but must serve the “State” that created it, even if there is a conflict between the law of God and the law of the State. For example, an incorporated church may not support political candidates, nor become involved in political activities, nor speak out against what government says is legal.

In his book: Nuts and Bolts Study on the Unregistered Church, Dr. Greg Dixon provides over 40 possible conflicts between the church and government in the area of religious beliefs, and this is merely the beginning!

Dr. Dixon then goes on to give horror stories of how minor infractions, such as the structure of church business meetings, have resulted in huge fines and penalties. In one case, the State ordered a church building to be bulldozed and burned. Had it not been for a God fearing judge, who advised that the pastor revoke the license of the church, the church building might not have been saved. According to Dr. Dixon’s book, acts like this are going on all over America.

A quotation from a 1981 Kentucky Appellate Court opinion may put the whole problem in a nutshell. In Hollins v. Edmonds, 616 S.W.2d 801 (Ky. App. 1981), the court stated:

*“The business of the church was conducted in a rather informal manner in accordance with its customs. Although this kind of conduct might be suited to church tradition, it does not comply with the requirements of the statutes regarding nonprofit corporations.*

*As the trial judge phrased it – once the church determined to enter the realm of Caesar by forming a corporation, it was required to abide by the rules of Caesar, or in this case, the statutes of the Commonwealth of Kentucky.”*

The Holy Bible makes it clear that a Christian may not serve two masters. This country was founded on the principle of religious freedom. Churches were never meant to serve Caesar. Once a church has been conned into incorporating for the purpose of “tax exemption” to serve Caesar, it may no longer serve God.

**Fortunately, there is a remedy at law to reverse the folly of the incorporated church.**

**The church, having become aware of its error, may revoke its license, registration or corporate status and, thus, reclaim its God-given rights, duties and responsibilities.**