

Draft 1

Dear [NAME],

As the [INSERT POSITION/TITLE] of [ORGANIZATION], based in [CITY/STATE], I am writing to respectfully ask for your help in ensuring that the tax code continues to provide support for clergy and church lay workers who, because of modest salaries and frequent moves, may struggle to attain the same financial stability that their peers in the private sector enjoy.

Without the tax exclusion for **moving expense reimbursement** provided under current law, the expenses associated with moves that are frequently required by religious tradition and denominational beliefs could become prohibitive. The same goes for the inclusion in income of **employer-provided higher education assistance, adoption reimbursement assistance, and dependent care assistance**--each would be a change to current law that could expose clergy and lay workers to additional tax liability. Further, **ministers are treated by statute as self-employed for employment tax purposes and are therefore subject to SECA** (Self-Employed Contributions Act) **taxes (15.3% of taxable earnings)**, as opposed to FICA (Federal Insurance Contributions Act) taxes (employers and employees each pay 7.65% of taxable earnings). **Therefore, eliminating these exclusions would disproportionately impact clergy since such amounts would be included in gross income and newly taxed at a higher rate under SECA.**

To ensure that clergy and church lay workers in my state and across our country are able to continue to carry out their religious service in a way that reflects the traditions and beliefs of their denomination, **I strongly urge you to preserve these current law income exclusions as your work on the conference committee proceeds.** My colleagues and I are grateful for your leadership on this issue and appreciative of any help you can provide in removing these provisions from the final tax reform bill. Thank you.

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Draft 2

Dear [NAME],

As the [INSERT POSITION/TITLE] of [ORGANIZATION], based in [CITY/STATE], I am writing today to ask for your assistance in addressing issues of concern in the tax reform package currently under consideration in conference committee.

Pastors selflessly sacrificing careers in fields with much more lucrative earning potential and by embracing a path that requires frequent moves from place to place to accommodate the diverse needs and geographies of religious denominations.

That is why it is so important to **retain in law the exclusion from income of moving expense reimbursements, employer-provided higher education assistance, adoption reimbursement**

assistance, and dependent care assistance. The inclusion of any of these in taxable income would be a change to current law that could expose clergy and lay workers to additional tax liability. **It is important to note that ministers are characterized as self-employed for tax purposes, so they must also pay the 15.3% SECA (Self-Employed Contributions Act) tax on these important non-cash benefits.** These provisions are tremendously important to clergy, who make modest salaries and often must move from place to place as required by their churches' needs and their denomination's structure and beliefs.

Given the contribution of religious organizations throughout the state, **I hope that you will stand with us in calling for these important provisions to be retained. Thank you for your leadership and your assistance with this important issue as conference committee work proceeds.**

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Draft 3

Dear [NAME],

As the [INSERT POSITION/TITLE] of [ORGANIZATION], based in [CITY/STATE], I am writing regarding tax reform and its impact on clergy and church lay workers. **In particular, I ask for your help in preserving the exclusion from taxable income for various employer-provided benefits, like reimbursements for moving expenses and employer-provided adoption assistance.**

These provisions are tremendously important to clergy, who earn modest salaries and often must move from place to place as required by their churches' needs and their denomination's polity and beliefs. The same goes for the inclusion in income of employer-provided higher education assistance and dependent care assistance. These are changes to current law that could expose clergy and lay workers to additional tax liability. **Further, the impact on ministers is disproportional given that they are characterized as self-employed for tax purposes, so they must also pay the 15.3% SECA (Self-Employed Contributions Act) tax on these important non-cash benefits.** Without these tax benefits provided by current law, the ability of our clergy and lay workers to carry out the mission work of our denomination without severe financial risk could be severely limited.

To ensure that churches in the state and across our country are able to continue to carry out their religious service in a way that reflects the traditions and beliefs of their denomination, I **strongly urge you to preserve these provisions in current law. My colleagues and I are grateful for your leadership on this issue and appreciative of any help you can provide in making sure these provisions do not find their way into the final tax reform bill.** On behalf of people of faith, thank you.