NATIONAL CATHOLIC REPORTER
Published on *National Catholic Reporter* (http://ncronline.org)

Kansas wants sales tax from religious nonprofits

Catholic News Service | Mar. 8, 2010

MERRIAM, Kan. -- A proposal in the Kansas Legislature that would repeal the sales tax exemption for churches and religious nonprofit organizations is bad public policy, shortsighted and probably unconstitutional, according to the Kansas Catholic Conference.

In a March 4 legislative alert, the agency representing the bishops of Kansas' four Catholic dioceses said the proposal "would seriously undermine the ability of religious groups to serve Kansas' most vulnerable citizens in these very difficult times."

House Bill 2549 was amended in the House Committee on Taxation to continue the tax exemption for nonprofit organizations that were not religiously affiliated, leaving churches and religious nonprofits such as Catholic Charities subject to the state's 5.3 percent sales tax. The bill also would repeal the sales tax exemption for residential utilities, lottery tickets, some recreational fees, public libraries and several other categories.

The taxation committee reported the bill back to the House "without recommendation" -- meaning that its members neither supported nor opposed the legislation.

As amended, the bill would raise an estimated $169 million a year. The state has a nearly $500 million budget shortfall projected for fiscal year 2011, which begins July 1.

"While the state is certainly in dire fiscal straits, this proposed policy would have the effect of balancing the budget on the backs of the poor, for it is they that would suffer the most," the legislative alert said. "And those that Catholic Charities would no longer be able to serve would undoubtedly turn to the state for help -- help the state cannot afford to give.

"Religious organizations like Catholic Charities save the state money by doing the job they do," the Catholic conference alert continued. "If their ability to do that job is compromised by suddenly having to pay the state sales tax, the state will lose far more than it gains."

The House was expected to take up the bill the week of March 8.

The Kansas Catholic Conference, based in Merriam, urged Catholics in the Archdiocese of Kansas City and the dioceses of Dodge City, Salina and Wichita to contact their legislators and ask them to "protect the tax exemption that helps the Catholic Church and other churches attend to the basic human needs of Kansas' poorest citizens."

House Speaker Mike O'Neal told the Kansas City Star daily newspaper that he did not expect the bill to pass.

"My prediction is that there won't be any appetite for it," particularly in an election year, he said.

Source URL (retrieved on *03/12/2014 - 06:42*): http://ncronline.org/news/politics/kansas-wants-sales-tax-religious-nonprofits