



United States Conference of Catholic Bishops

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March 8, 2019

Representative Mark Walker
United States House of Representatives
Washington, D.C. 20515

Representative Thomas Suozzi
United States House of Representatives
Washington, D.C. 20515

Dear Representatives Walker and Suozzi:

As the respective chairmen of the U.S. Conference of Catholic Bishops' Committee on Domestic Justice and Human Development and Committee for Religious Liberty, we write in strong support of your bipartisan bill, H.R. 1545, the Lessening Impediments From Taxes (LIFT) for Charities Act of 2019.

This legislation repeals Internal Revenue Code Section 512(a)(7), more commonly known as the "parking lot tax," which treats as an increase to an organization's unrelated business taxable income ("UBTI") "any amount for which a deduction is not allowable under [Chapter 1 of the Internal Revenue Code] by reason of section 274 and which is paid or incurred by such organization for any qualified transportation fringe (as defined in section 132(f)), any parking facility used in connection with qualified parking (as defined in section 132(f)(5)(C)), or any on-premises athletic facility (as defined in section 132(j)(4)(B))." Section 274 was amended by the Tax Cuts and Jobs Act to provide that "No deduction shall be allowed under this chapter for the expense of any qualified transportation fringe (as defined in section 132(f)) provided to an employee of the taxpayer."

This provision would require thousands of churches and other charitable organizations to file income tax returns (including filing federal Form 990-T) with the federal government that they have never been required to file, which are open to public inspection, and to pay a corporate income tax on the cost of providing otherwise nontaxable (under section 132) transportation and parking benefits to ministers and other employees.

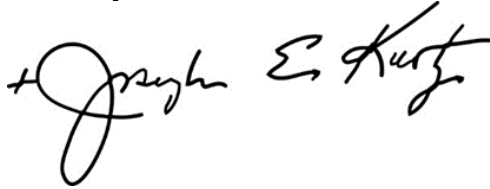
The imposition of this filing requirement and payment of tax creates an intrusive, harmful, and widespread burden on the religious community. Churches and charitable organizations should not be restricted by unnecessary taxes and compliance procedures, but rather, should remain uninhibited by such burdens. The parking lot tax will require many organizations to expend funds to ensure compliance with the filing and payment requirements of section 512(a)(7). Many churches and charitable organizations have not included the parking lot tax or the fees necessary for IRS compliance in their annual budget, which imposes a significant burden on the financial constraints of such organizations and diminishes the resources otherwise spent on serving communities.

We are pleased that Congress is moving toward repealing this costly and unprecedented tax. **We ask you to please urge House Ways and Means Committee Chairman Richard Neal to move H.R. 1545 as a standalone measure through the committee as soon as possible.**

Many organizations have already had to pay this tax or will be required to file federal form 990-T as soon as May 15 of this year. Congress must not delay in acting on this needed legislation.

Thank you for protecting religious liberty by repealing the parking lot tax.

Sincerely,

A handwritten signature in black ink, reading "Joseph E. Kurtz". The signature is written in a cursive style with a large, stylized "J" and "K".

Most Rev. Joseph E. Kurtz, D.D.
Archbishop of Louisville
Chairman, USCCB Committee
for Religious Liberty

A handwritten signature in black ink, reading "Frank J. Dewane". The signature is written in a cursive style with a large, stylized "F" and "D".

Most Rev. Frank J. Dewane
Bishop of Venice
Chairman, USCCB Committee on
Domestic Justice and Human Development