



## Robert W. Wood

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### IRS vs. Scientology: Here We Go Again



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I recently wrote about forming a [church](#) as tax planning. I wasn't entirely serious but I wasn't completely joking either. Fact is, there's more there to this topic than you might think. After all, there are many tax advantages of church status.

You need a coveted IRS

[determination letter](#) that you qualify. All the big religions have them and many not so big ones do too. In fact, even compared with the list of tax perks to which other tax-exempt organizations are entitled, church status is the *crème de la crème*. See [Christian Crusade For Tax Benefits](#).

For that reason, churches and those who found or promote them sometimes face tax scrutiny. Take Madonna's [Kabbalah](#), a Jewish movement with roots in the Zohar, a holy book said to be 2,000 years old. Kabbalah claims 4,000 regular participants around the world.

Many criticize it for not requiring followers to leave other faiths. Madonna or not, it's a legitimate religion says the IRS. But the IRS is pursuing a **criminal** investigation into tax evasion at Los Angeles' Kabbalah Centre. See [IRS Stirs The Kabbalah Pot](#) and [The Kabbalah Centre in Los Angeles is the focus of an IRS investigation into tax evasion](#).

As a tax lawyer for [30 years](#), I've seen IRS scrutiny on churches wax and wane especially with [Scientology](#). For years the IRS denied it was a church, but after multiple bouts of litigation and administrative harangues, the IRS abruptly [ruled](#) Scientology was a church in 1993. [The New York Times](#) claimed the IRS reversed 30 years of precedent to grant Scientology [Section 501\(c\)\(3\)](#) status when Scientology dropped numerous lawsuits against the IRS.

Some are claiming that the IRS should look at the Church of Scientology anew. How does the controversial religion stack up against church criteria? See [IRS Should Review Scientology Tax-Exempt Status](#). Some claim to have seen coercive fundraising efforts, suggesting the IRS had the wool pulled over its eyes when it granted church status in 1993.

These critics say all is not what it appears to be. See this [St. Petersburg Times series](#). Still, calls for the IRS or Congress to look at religious organizations in general—or anyone in particular—tend to make people queasy. Perhaps that's because of the fundamental separation between church and state. In any case, if the IRS does decide to take on Scientology for round two—which I doubt—I expect the bout to be noisy.

For more, see:

[It's Time to End the Church of Scientology's Tax-Exempt Status](#)

[Frequently Asked Questions About Applying For Tax Exemption](#)

[Tax Basics For Exempt Organizations](#)

[Religious Lobbying Is Surging In Washington](#)

[IRS Should Review Scientology Tax Exempt Status](#)

[IRS Stirs The Kabbalah Pot](#)

[Christian Crusade For Tax Benefits](#)

[Giving To Charity? Great. Staying Off IRS Radar? Priceless.](#)

*Robert W. Wood practices law with [Wood LLP](#), in San Francisco. The author of more than 30 books, including *Taxation of Damage Awards & Settlement Payments* (4th Ed. 2009, [Tax Institute](#)), he can be reached at*

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