

Pennsylvania bishops defend tax-exempt status of charities

In response to attempts by local taxing authorities to challenge (sometimes successfully) the tax-exempt status of religious and other public charities in Pennsylvania, the state's bishops have issued a call to action. After outlining the splendid work done by various charitable agencies and institutions sponsored by the Catholic Church in Pennsylvania, the bishops' statement calls on charitable organizations, legislators and citizens to work toward a resolution of the problem.

The figures cited in the statement are impressive. Catholic Charities in Pennsylvania provide services to over 1 million people each year. There are 34 Catholic nursing homes in the state, 27 Catholic hospitals and 25 Catholic colleges and universities educating more than 75,000 students annually. According to the bishops, Catholic elementary and secondary schools educate 250,000 children, at a savings to the public school districts of Pennsylvania of 1 billion dollars each year.

The bishops note that these institutions, along with other charitable organizations operating in the state have a common denominator – they serve Pennsylvanians, enhancing citizens' lives in many diverse ways and saving taxpayers the millions of dollars it would cost the state to undertake provision of these services.

One of the difficulties identified by the bishops is the present confusing standard for charitable organizations which currently exists in Pennsylvania.

“Decisions in the courts have not been consistent in

determining what an organization must do to be tax-exempt," the bishops declare, "and litigation has given rise to conflicting rulings statewide. Local taxing bodies have then applied these rulings, often resulting in uneven tax burdens."

The bishops, therefore, call on charitable organizations to "inform the public of the good they do," the citizens of Pennsylvania to support legislation that would establish clear criteria for charitable institutions and the Pennsylvania General Assembly to acknowledge that support and to act upon it.

Finally, the bishops urge the governor and the legislature "to recognize anew the critical value of charitable organizations in Pennsylvania, and to protect and strengthen their mission by continuing to exempt them from taxation."

This is a timely message. Other dioceses and religious groups are experiencing similar pressure from taxing authorities bent on pursuing the short-sighted policy of increasing revenues at the expense of charitable organizations.