



ATTORNEYS AND COUNSELORS AT LAW
Tysons • Richmond • Leesburg

1945 Old Gallows Road
Suite 650
Vienna, VA 22182
703-761-5000
www.GG-Law.com

Robert B. Adams†
A. Wray Fitch III
Robert Flores
James A. Gammon*
Derek L. Gaubatz
George R. Grange II
Stephen H. King
Nancy Oliver LeSourd
Kenneth E. Liu

W. Franklin Pugh, P.L.C. ‡
J. Matthew Szymanski
Bonnie L. Van Der Weide
Scott J. Ward

* Co-Founder, 1934-2011
† Of Counsel
‡ Of Counsel—Leesburg

Email: shk@gg-law.com
Direct Dial: 703-761-5016

April 13, 2022

Re: Global Methodist Church Affiliated Churches –Tax-Exempt Status Under IRC §501(c)(3)

To Whom It May Concern:

This law firm provides legal counsel to the Transitional Leadership Council of the Global Methodist Church (“Council”). We write this letter at the request of the Council to confirm the tax exempt status under Internal Revenue Code (“IRC”) §501(c)(3) of bona fide churches, their integrated auxiliaries, and district and annual conferences that affiliate with the Global Methodist Church.

Pursuant to the IRC and its relevant regulations, certain categories of nonprofit organizations – including in particular “churches” – are excepted from the normal requirement that an organization obtain recognition from the Internal Revenue Service (“IRS”) to be treated as a tax exempt public charity under IRC §501(c)(3). *See generally Tax Guide for Churches and Religious Organizations: Benefits and Responsibilities Under the Federal Tax Law* (Rev. 8-2015), <http://www.irs.gov/pub/irs-pdf/p1828.pdf>, at page 2. Specifically, IRC §508(c)(1)(A) provides “[m]andatory exceptions” from the exemption recognition requirement for “churches, their integrated auxiliaries, and conventions or associations of churches.” *See also* IRC §6033(a)(2) (mandatory exemption from filing annual Form 990 returns for “churches, their integrated auxiliaries, and conventions or associations of churches”). Such organizations are *not required* to file an application (IRS Form 1023) with the IRS to qualify as tax exempt under IRC §501(c)(3), contributions to which are eligible for tax deduction pursuant to IRC §170(b)(1)(A) (assuming the church is organized in the United States).

While some local churches choose to obtain IRS recognition of §501(c)(3) status, and others are included in a group exemption obtained by their denomination, many churches in the United States have chosen to rely on the automatic exemption for qualifying churches pursuant to IRC §508. A church relying on automatic §501(c)(3) status may at any time in the future become part of a group exemption or choose to apply for its own IRS recognition of tax exempt status.

We have assisted the Council with the preparation and submission to the IRS of its Form 1023 application for IRS recognition of tax exempt status, and its application is now pending with the IRS. Assuming recognition of exemption is granted (and we know of no reason why it would not be granted), such recognition will be retroactive to the incorporation date of the Council, March 18, 2022. Contributions to the Global Methodist Church and its affiliated individual churches, their integrated auxiliaries, and district and annual conferences described in IRC §501(c)(3) and organized in the United States are tax deductible pursuant to IRC §170(b)(1)(A).

While at the present time the IRS is not accepting new applications for group exemptions (pending finalization of new regulations), our understanding is that, as soon as possible, the Council intends

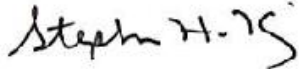
Global Methodist Church
April 13, 2022
Page 2 of 2

to apply for a group tax exemption under which its affiliated churches would qualify as subordinate tax exempt organizations. To preserve the opportunity to be included in a group exemption granted to the Global Methodist Church in the future, local churches should not file for separate application for recognition of §501(c)(3) status but instead should rely on the automatic exemption pursuant to IRC §508(c)(1)(A).

This letter may be provided to Global Methodist Church donors and others as evidence that local churches, their integrated auxiliaries, and district and annual conferences that satisfy the requirements for §501(c)(3) status and are affiliated with the Global Methodist Church are tax exempt under IRC §501(c)(3) even though not seeking IRS recognition of tax exempt status.

We trust that this information is sufficient for your purposes. If you have any questions or if we may be of further assistance, please let us know.

With kind regards,

A handwritten signature in black ink that reads "Stephen H. King". The signature is written in a cursive style with a large, stylized "S" at the beginning.

Stephen H. King