



Soccer success

The Aquinas boys' soccer team defeated Bishop Kearney to win the City Catholic League title. The win provided the Little Irish with momentum heading into the sectionals this week. Page 10.



CATHOLIC COURIER

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Tax-exempt status limits speech

By Rob Cullivan
Staff writer

Once each month at the end of Sunday Mass in St. Rita's Parish, West Webster, the celebrant yields the pulpit to a speaker from Witnessing with the Poor, a parish social-justice group.

The speaker is free to rail against economic structures that entrap the poor. He or she can condemn budget cuts the state legislature has mandated to social-welfare programs. The WWP representative can even ask parishioners to sign petitions supporting a specific bill in the state senate.

But if he or she dared to take that message a step further and aver that good



Catholics should vote for certain candidates, the speaker would place the pastor in an uncomfortable position — forcing him to choose between freedom of expression and freedom from conflict with the Internal Revenue Service.

While it is doubtful that any parish or diocesan group would ever choose to phrase its appeals in such an overtly political way, Witnessing with the Poor and the dozens of other groups that speak out on social-justice issues must be ever conscious of the fine line between IRS definitions of "voter education" and "political activity."

Under IRS guidelines, the Catholic Church, as a not-for-profit institution, enjoys the luxury of tax-exemption. Yet with that luxury comes a political muzzle, forbidding the church and its officials to publicly endorse or reject political candidates and their parties.

Although church employees here in the Rochester diocese and in dioceses throughout the country say that church officials rarely, if ever, violate the IRS' political-activity guidelines, they noted that church officials, on and off the job, must exercise caution when venturing into politics.

"We're very careful to try to work within the boundaries that would render under to Caesar what is Caesar's and to render unto to God what is God's," said Father John Reif, St. Rita's pastor. He said Witnessing with the Poor scrutinizes its monthly talks to ensure they show no bias towards politicians and parties, and added that if the group talks about legislation, it concentrates on the issues, not the personalities, involved in a debate.

Outside of the social-justice group's activities, Father Reif could recall only one time when he felt pressured to take a stand that might cross the IRS line — when an active parishioner asked the priest to "warn" the congregation against voting for Democratic Congresswoman Louise Slaughter, a pro-choice advocate on the abortion issue.

"(The parishioner) wanted to bring her name up and we forbade that," Father Reif said. "We never mention names or political parties."

Thus on the surface, it might seem an



easy task for the church to retain its tax-exempt status. Simply tell each church employee to talk issues, not candidates, right?

Wrong, as a recently concluded court case attests. During the last decade, Abortion Rights Mobilization, a Manhattan-based pro-choice group, has made life miserable for church officials interested in promoting the pro-life movement. In 1980, ARM, along with several other pro-choice groups, filed a suit in a federal district court in southern New York that alleged actions by various church officials and groups violated IRS guidelines prohibiting partisan political activity by tax-exempt groups.

A federal judge subpoenaed church internal records sought by ARM in 1986, but the U.S. bishops, under the threat of \$100,000-a-day fines, refused to release the documents.

The bishops can breathe easier now, thanks to an appeals court's dismissal of the ARM lawsuit last month on the grounds that ARM and the other plaintiffs, had "showed no personal injury in fact," resulting from the alleged failure of the IRS to enforce the tax law against the church.

During last year's presidential campaign, the ARM lawsuit prompted the United States Catholic Conference to issue a memo detailing the IRS political-activity guidelines.

Kathleen Gallagher, legislative assistant of the New York State Catholic Conference, noted that the USCC memo may have put the fear of the IRS into some church officials.

"I think personally that it frightened people who work for the church," she said. "I think a lot of people misinterpreted it to mean that the church can't get involved (in politics)."

But the USCC only wanted to inform church officials, not scare them, remarked Deirdre Halloran, assistant general counsel

to the USCC. "It's part of our general rule to provide tax information," Halloran said, adding that her office received a flood of telephone calls regarding last year's memo.

Part of the problem, she said, was that in previous presidential elections, memos concerning tax law had only been sent to bishops, diocesan fiscal directors and attorneys, and were not distributed to the secular print media. But the USCC's public affairs department distributed the 1988 memo to such papers as the *Washington Post* and *The New York Times*, setting off a storm of publicity.

The furor that greeted the memo only illustrates the ambiguity of the IRS guidelines, particularly in the area of political advertising, for which the federal agency has not issued specific regulations, Halloran said.

The memo sent a scare throughout the nation's Catholic press in particular as it cautioned that diocesan papers had to exercise care not to violate tax law when writing political stories and taking political advertising. Responding to the memo more cautiously than most, the bishops of New Jersey went so far as to ban political advertising in all diocesan newspapers, an action which angered the New Jersey Catholic press.

"When (the New Jersey Catholic Conference) made the guidelines, (the Catholic newspapers) all fell in line, which was crazy because we never had a problem before," commented Leo P. Carroll, advertising director of *The Beacon*, based in Paterson. Carroll estimated that the ban caused his paper to lose \$3,000-\$4,000 in advertising revenue last fall.

Carroll speculated that the bishops feared pro-choice groups would take advantage of the IRS requirement that if Catholic papers choose to accept political advertising of any kind, they must accept



all political advertising, whether or not the ads agree with the papers' editorial stance.

William F. Bolan Jr., the NJCC's executive director, confirmed Carroll's speculations. Bolan noted that diocesan officials charged with monitoring the abortion debate had alerted the bishops to the fact that certain Catholic pro-choice politicians were advertising in diocesan newspapers. Despite their opposition to the church's teaching on abortion, he said, the pro-choice Catholic candidates wouldn't hesitate to note their parish affiliation in their ads.

Such fears and concerns don't impress Daniel Medinger, editor of *The Catholic Review*, newspaper of the Archdiocese of Baltimore, Md. Medinger had just one word for such restrictions: "Nuts!" That's how the newspaperman succinctly stated his feelings in an Oct., 1988, editorial blasting the USCC memo.

"Our nuts is not one of defiance," wrote Medinger, "but one of frustration — frustration that the (ARM lawsuit) has dragged on so long and frustration that these guidelines will have a chilling effect on the role the church and its members may play in the current election."

Medinger acknowledged that "it is inappropriate for the church to endorse particular candidates." He might have added that it is illegal even to "appear" to have done so, according to the IRS.

This aspect of the of the agency's regulations becomes apparent each November when many parishes issue voter-education guides. According to the USCC memo, a not-for-profit's educational materials cannot indicate or imply "(a) that a legislator agrees or disagrees with the organization's position, or (b) that the organization agrees or disagrees with a legislator's vote."

In practical terms, this means, for example, that a parish cannot distribute profiles detailing candidates' stands on one issue. The USCC memo even said the IRS prohibits churches from telling their congregations who's the challenger and who's the incumbent in a race, among other things.

Karen Franz, editor in chief of the *Catholic Courier* noted that complying with the USCC's directives regarding the publishing of unbiased candidate surveys would have entailed doubling the size of the paper.

"We, for one did not run any voter education material on state and local races," Franz recalled of the '88 election, "because, with the number of candidates involved in 12 counties (in the diocese) times the number of issues you need to address to have what the USCC views as a 'broad range of issues,' we'd have to devote an entire 48-page issue to a candidate survey alone."

Franz added that the *Courier* did devote a full page in three consecutive editions be-

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