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CHURCH ALLIANCE

Acting on Behalf of Church Benefits Programs

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June 7, 2019

By electronic submission (<http://www.regulations.gov>)

Internal Revenue Service
 Attn: CC:PA:LPD:PR (Notice 2019-30)
 Room 5203
 PO Box 7604
 Ben Franklin Station
 Washington, D.C. 20044

Re: Comments in Response to Notice 2019-30; Priority Guidance Plan

To Whom It May Concern:

The Church Alliance (“we” or “the Alliance”) submits this comment letter in response to the request for public comment on the 2019-2020 Priority Guidance Plan contained in Notice 2019-30.

The Alliance is a coalition of the chief executive officers of 37 church benefits organizations, shown on the left side of this letterhead. The Alliance represents these organizations, which are affiliated with mainline and evangelical Protestant denominations, branches of Judaism, and Catholic schools and institutions. These organizations serve more than 155,000 ministries and more than one million clergy and lay workers and their families.

While there are many areas where additional guidance is needed, we have listed the two areas of primary importance to Alliance members.

First Priority: Updated Church Plan Definition Regulations

On August 20, 2018 [Link](#) and November 26, 2018 [Link](#), the Alliance submitted comments (“Church Plan Comments”) in response to the regulatory agenda of the Department of the Treasury (“Treasury”) indicating that Treasury was working on proposed regulations to update the definition of a church plan under section 414(e) of the Internal Revenue Code (“Code”). We know that this has been a long-time project that has been delayed by intervening priorities. We are pleased to see this scheduled for a notice of proposed rulemaking to be released in November of this year.

Our Church Plan Comments were quite extensive and therefore we refer you to the aforementioned comment letters. They outlined pressing questions that need to be addressed because the current regulations on church plans were written prior to the passage of the Multiemployer Pension Plan Amendments Act of 1980. Updated regulatory guidance is sorely needed that aligns with these amendments passed almost 40 years ago. Our Church Plan Comments attempt to track the statutory language on church plans and discuss, on a phrase by phrase basis, statutory concepts that lack sufficient detail or clarity. We urge Treasury to review our Church Plan Comments and incorporate our substantive suggestions in new proposed regulations.

Second Priority: Further Guidance on UBTI for Disallowed Fringe Benefits (Parking)

On June 26, 2018 [Link](#) and August 7, 2018 [Link](#), the Alliance submitted comments seeking guidance on Code Section 512(a)(7). On February 22, 2019 [Link](#), we submitted comments in response to the interim guidance contained in Notice 2018-99. Our comments will not be repeated here but they addressed several subjects in Notice 2018-99 that require additional clarity or flexibility in application.

Most churches have never filed a Form 990. Due to the sheer complexity involved in gathering together parking facility expenses that have never been isolated, figuring out who uses what parking spaces and when, who is an employee for this purpose and what use is primary, additional guidance is critical to our members. This tax and the need for Form 990 filing not only take away dwindling resources from the fundamental activities of our churches, they also present unfamiliar territory to church administrators.

CONCLUSION

We are grateful for the opportunity to comment on what the Alliance views as the most important projects to be included in the Priority Guidance Plan for 2019-2020. Members of the Alliance rely heavily on guidance issued by Treasury and appreciate any opportunity to provide our views.

Please do not hesitate to contact the undersigned at (202) 778-9128 with any questions, or if we may be of any assistance. Thank you.

Sincerely,



Karishma Shah Page
Partner, K&L Gates LLP
On Behalf of the Church Alliance