



Barbara A. Boigegrain
General Secretary and
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The Honorable Paul Ryan
Speaker
U.S. House of Representatives
H-232 The Capitol
Washington, DC 20515

The Honorable Nancy Pelosi
Minority Leader
U.S. House of Representatives
H-204 The Capitol
Washington, DC 20515

The Honorable Kevin Brady
Chairman
House Committee on Ways and Means
1102 Longworth House Office Building
Washington, DC 20515

The Honorable Richard Neal
Ranking Member
House Committee on Ways and Means
1139E Longworth House Office Building
Washington, DC 20515

Dear Speaker Ryan, Leader Pelosi, Chairman Brady and Ranking Member Neal:

As Chief Executive Officer of Wespath Benefits and Investments, the benefits board of The United Methodist Church, I am writing to urge you to repeal Section 512(a)(7) of the Internal Revenue Code, which currently requires that churches and other tax-exempt organizations characterize as unrelated business income the amount spent to provide employee parking and also to pay unrelated business income taxes (“UBIT”).

The many thousands of churches, ministries, and small, mission-focused community organizations served by Wespath Benefits and Investments are generally tax-exempt organizations that have never engaged in UBIT generating activities and, consequently, have never reported or paid taxes before. Under new section 512(a)(7) of the Internal Revenue Code, a great number of these entities may be required for the first time to file a Form 990-T to report and pay taxes on amounts spent by the church to provide parking to employees. Notably, the primary purpose of such parking lots is for congregants and community members; parking is only incidentally made available to clergy and church lay workers. However, absent relief, thousands of churches and related organizations, often with volunteer treasurers, may be forced to file 990-Ts, most with modest amounts of UBIT. With the end of the year rapidly approaching, these churches and religious organizations are increasingly concerned about their ability to properly comply and the significant costs associated with this new section of the Internal Revenue Code.

We are grateful for the bipartisan, bicameral legislation that has been introduced to address this issue. In particular, we are grateful that the manager’s amendment to H.R. 88 includes repeal of Section 512(a)(7). We respectfully urge that repeal of Section 512(a)(7) be broadly supported on the House floor and enacted as part of year-end legislation in order to deliver full relief for America’s churches and other tax-exempt organizations and allow for resources to properly be directed and focused on mission work.

Thank you for your leadership on this important issue thus far and for your continued efforts to move it across the finish line in the 115th Congress.

Sincerely,

Barbara A. Boigegrain
Chief Executive Officer
Wespath Benefits and Investments