

Group Tax Exemption Overview

Entities Included under group exemption:

The IRS considers member congregations, the schools they operate, as well as most other organizations affiliated with The Lutheran Church–Missouri Synod, as tax-exempt entities because they are organizations described in the Synod’s group tax-exemption ruling under code section 501(c)(3) of the Internal Revenue Code (IRC). A copy can be found in the [Congregational Treasurer’s Manual](#).

“The Lutheran Annual” includes a list of the congregations (and congregations in formative stages) that are included in the tax determination letter and exempt from income taxes.

If a school is not separately incorporated and is a ministry of and operated by an LCMS member congregation it is also included under the blanket tax determination letter from the IRS. Schools separately incorporated but controlled by one or more LCMS member congregations may either request to be covered under Synod’s blanket tax determination or obtain their own separate tax-exempt determination from the IRS.

Form 990:

Member congregations of the Synod are excused as churches by Section 6033 of the IRC from filing the information return Form 990. All elementary and secondary schools are excused from filing Form 990, even if they are incorporated separately from the congregation or operated by two or more congregations.

Verification of tax-exempt status:

For congregations and schools that are included under the Synod group tax exempt ruling that need to provide evidence of their 501(C) (3) tax exempt status may use a copy of the page found in section 8.,410 of the Congregational Treasurers Manual and is also included in “The Lutheran Annual”. If further verification is needed the LCMS Accounting Department can be contacted directly.

Prohibited activities:

Certain activities by the organization can put tax exemption in danger or incur costly sanctions or penalties. The law prohibits three types of activities by religious, nonprofit organizations. They include private benefit (inurement), substantial lobbying and political campaigning.

Refer to the [Congregational Treasurers Manual](#) for additional information