

**PT 01-73**  
**Tax Type: Property Tax**  
**Issue: Religious Ownership/Use**

**STATE OF ILLINOIS**  
**DEPARTMENT OF REVENUE**  
**OFFICE OF ADMINISTRATIVE HEARINGS**  
**SPRINGFIELD, ILLINOIS**

---

---

<b>COLUMBUS UNITED METHODIST</b>	)		
<b>CHURCH</b>	)	<b>A.H. Docket #</b>	<b>01-PT-0010</b>
<b>Applicant</b>	)	<b>Docket #</b>	<b>00-01-29</b>
	)		
<b>v.</b>	)	<b>Parcel Index #</b>	<b>16-0-0498-002</b>
	)		
	)	<b>Barbara S. Rowe</b>	
<b>THE DEPARTMENT OF REVENUE</b>	)	<b>Administrative Law Judge</b>	
<b>OF THE STATE OF ILLINOIS</b>	)		

---

---

**RECOMMENDATION FOR DISPOSITION**

**Appearances:** Mr. Lonnie Dunn, Adrian & Dunn, for Columbus United Methodist Church.

**Synopsis:**

The hearing in this matter was held at the Willard Ice Building, 101 West Jefferson St., Springfield, Illinois on April 18, 2001, to determine whether or not Adams County Parcel Index No. 16-0-0498-002 qualified for exemption during the 2000-assessment year.

Reverend Ivy A. Silas, pastor of the Columbus United Methodist Church, (hereinafter referred to as the "Applicant"); Gene R. Heins, chairman of the parsonage committee of the applicant; and John Woodruff, treasurer and director of the Administrative Services for the Illinois Great Rivers Conference of the United Methodist Church were present and testified on behalf of the applicant.

The issues in this matter include, first, whether the applicant was the owner of the parcel during the 2000-assessment year; secondly, whether the applicant is a religious organization; and lastly, whether the parcel was used by the applicant or being adapted for exempt purposes during

the 2000-assessment year. After a thorough review of the facts and law presented, it is my recommendation that the requested exemption be granted. In support thereof, I make the following findings and conclusions in accordance with the requirements of Section 100/10-50 of the Administrative Procedure Act (5 ILCS 100/10-50).

**FINDINGS OF FACT:**

1. The jurisdiction and position of the Department that Adams County Parcel Index No. 16-0-0498-002 did not qualify for a property tax exemption for the 2000-assessment year was established by the admission into evidence of Dept. Ex. No. 1. (Tr. p. 9)

2. On August 24, 2000, the Department received the exemption application for Adams County Parcel Index No. 16-0-0498-002. The Board of Review of Adams County had recommended granting the exemption from July 1, 2000 through December 31, 2000. (Dept. Ex. No. 1)

3. On December 14, 2000, the Department denied the requested exemption because "The primary use of the property is not religious. The property is not in exempt use." The applicant timely protested the denial. (Dept. Ex. No. 1)

4. The applicant acquired the subject property by a quitclaim deed dated May 24, 1927. Located on the subject parcel is applicant's parsonage. The parsonage is adjacent to applicant's church. (Dept. Ex. No. 1; Tr. pp. 10-11, 14)

5. From July 1996 through July 2000, the applicant rented the parsonage on the subject property. The current pastor moved into the parsonage on July 6, 2000. The applicant does not provide the pastor with a housing allowance. (Tr. pp. 11-12, 16)

6. The applicant filled out a parsonage questionnaire supplied by the Department as part of this exemption application. In response to question no. 1: "[I] s the minister required, as a condition of employment or association, to reside in the parsonage/convent?" the applicant replied "no". The reason the applicant answered no was that at the time that the applicant completed the questionnaire, the pastor had not yet moved into the parsonage. The applicant

misunderstood the question. (Tr. pp. 12-13)

7. The current pastor of the applicant's church and resident of the parsonage prepares her sermons in the office of the parsonage on the subject property. Church committee meetings are held in the house. Counseling sessions are held in the pastor's office in the building. The pastor has been applicant's minister since July 1, 1996. (Tr. pp. 16-18)

8. The Book of Discipline and the Conference of Journals of the United Methodist Church state that when a local church has a parsonage, the pastor of the church is required as a condition of employment to reside in that parsonage. (Applicant's Ex. No. 1; Tr. p. 22)

### **CONCLUSIONS OF LAW:**

Article IX, §6 of the Illinois Constitution of 1970, provides in part as follows:

The General Assembly by law may exempt from taxation only the property of the State, units of local government and school districts and property used exclusively for agricultural and horticultural societies, and for school, religious, cemetery and charitable purposes.

This provision is not self-executing but merely authorizes the General Assembly to enact legislation that exempts property within the constitutional limitations imposed. City of Chicago v. Illinois Department of Revenue, 147 Ill.2d 484 (1992)

It is well settled in Illinois that when a statute purports to grant an exemption from taxation, the tax exemption provision is to be construed strictly against the one who asserts the claim of exemption. International College of Surgeons v. Brenza, 8 Ill.2d 141 (1956) Whenever doubt arises, it is to be resolved against exemption and in favor of taxation. People ex rel. Goodman v. University of Illinois Foundation, 388 Ill. 363 (1941). Further, in ascertaining whether or not a property is statutorily tax exempt, the burden of establishing the right to the exemption is on the one who claims the exemption. MacMurray College v. Wright, 38 Ill.2d 272 (1967)

Pursuant to the authority granted by the Constitution, the legislature has enacted exemptions from property tax. At issue is the religious exemption found at 35 **ILCS** 200/15-40.

That portion of the statutes exempts certain property from taxation in part as follows:

§ 15-40. Religious purposes, orphanages or school and religious purposes. All property used exclusively for religious purposes, or used exclusively for school and religious purposes, or for orphanages and not leased or otherwise used with a view to profit, is exempt, including all such property owned by churches or religious institutions or denominations and used in conjunction therewith as housing facilities provided for ministers (including bishops, district superintendents and similar church officials whose ministerial duties are not limited to a single congregation), their spouses, children and domestic workers, performing the duties of their vocation as ministers at such churches or religious institutions or for such religious denominations, and including the convents and monasteries where persons engaged in religious activities reside.

A parsonage, convent or monastery or other housing facility shall be considered under this Section to be exclusively used for religious purposes when the church, religious institution, or denomination requires that the above listed persons who perform religious related activities shall, as a condition of their employment or association, reside in the facility.

Property owned by a church and used as a parsonage or monastery was taxable prior to 1957. See People ex rel. Carson v. Muldoon, 306 Ill. 234 (1922); People ex rel. Pearsall v. Methodist Episcopal Church, 315 Ill. 233 (1925)

The Illinois Supreme Court in McKenzie v. Johnson, 98 Ill. 87 (1983) had an opportunity to address the 1957 amendment to the statute that created the parsonage exemption. The court held that the provision granting an exemption for a parsonage used primarily for religious purposes was constitutional. The court also required that the parsonage must reasonably and substantially facilitate the aims of religious worship because the pastor's religious duties required that [s]he live in close proximity to the church or because the parsonage had unique facilities for religious worship and instruction or was primarily used for such purposes.

The applicant acquired the subject parcel by a quitclaim deed in 1927. Therefore the applicant owned the parcel.

The applicant improperly completed the parsonage questionnaire, and admits it made a mistake because it did not understand the question.

The parsonage at issue is located next door to applicant's church. The current pastor moved into the parsonage on July 6, 2000. She held church meetings, counseling sessions, and prepared her sermons in the building. I find that the applicant has demonstrated that the parsonage reasonably and substantially facilitates the aims of applicant's religious worship, the pastor's religious duties require that she live in close proximity to the church, and the parsonage is primarily used for religious worship and instruction as required by McKenzie v. Johnson. The applicant has also established that the United Methodist Church requires its pastors to reside in the parsonage as a condition of employment, as required by the statute.

For the foregoing reasons, it is recommended that Adams County Parcel Index No. 16-0-0489-002 be exempt from property tax for the period of July 6, 2000 through December 31, 2000, or for 49% of the 2000-assessment year.

Respectfully Submitted,

---

Barbara S. Rowe  
Administrative Law Judge  
November 15, 2001