

The Tax Cut Bill & Stewardship

Emmanuel Friends,

You all know that I steer a wide berth around political issues when I am preaching or writing. I have never spoken in favor of or against any named political candidate. And the truth is that I have often avoided talking about issues that point to political positions and decisions, except those which fly in the face of clear biblical principles. In this regard I am walking a line that is considerably more conservative than many of my clergy colleagues. This is not to say that most of you don't know or can't figure out where my heart is with respect to the tough issues and decisions of our era.

So, it is a signal of my deep concern that I am going to raise this with you, stretching my normal boundaries.

I have looked very carefully at as much as is currently public and available about the tax bills that are in process in the Congress. I found the chart at NPR.org particularly helpful, but there are many other places on the internet where this information is available, often updated hourly. I have done the math about what both the House version and the Senate version would do to me, personally, and my family. I want to share my conclusions with you.

First, you need to know that decisions that my wife and I made decades ago have allowed us to get to the point where we can give away about 14% of our income to charitable causes. We were not able to do this overnight, in one fell swoop. Rather, we put our desire to support our churches, the schools that raised us up, and the cultural institutions that inform us and feed our souls before other lifestyle choices. I am happier to wear khakis from BJ's and give a couple of extra dollars away than buy a new suit or two every year at ten times the price. Step by step, year by year, we were able to get to this point.

A significant piece of our financial equation is that, given our income and what we can give away, our charitable contributions amount to enough to drop us from the middle tax bracket in the current code to the one below it: from 25% to 15% of our taxable income. That's where some of the money that we can give away comes from. There is a significant moral implication here. We want to support our government and the services it supplies, but the chance to give directly to causes we think are important has an equivalent attractiveness. The current tax code gives us the opportunity to plan our giving strategically.

In the two versions of the tax bill currently passed by the House and the Senate, the restructuring of tax brackets could effectively eliminate the advantage we gain from our support of non-profit institutions. Especially under the Senate version, our tax bill will go up, and our ability to be as generous as we have been will significantly affect our annual budget. And that's assuming that the tax deduction for charitable contributions survives in the final bill – a proposition not at all secure as of this writing.

I will make no suggestions to you about what you should or shouldn't do in the face of this information. Your financial situation is probably very different from mine, and the same concerns about tax brackets may not apply to you. But let me ask you to do the math and see what would happen to your tax bill if you gave more to charitable causes than you currently do. Though we hope you give generously to your congregation regardless of the tax advantages, it would be foolish not to avail yourself of the legal options available to you.

And let me ask you to think about what might happen to contributions to Emmanuel Church if they were no longer tax deductible. I have no way of calculating the personal equations of other families and how they structure their donations, but I can't help but believe that there are some for whom that would make a difference.

This is not the lovely Christmas Letter that I would love to have write to you. But these are unusual times and therefore need serious reflection on my part and also on yours. Nevertheless, please accept my prayers for a blessed Christmas for you and yours.

The Rev'd Canon Dr. Mark Gatzka