

UNITED STATES SENATOR • IOWA
CHUCK GRASSLEY
RANKING MEMBER • SENATE COMMITTEE ON FINANCE

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Contact: Jill Kozeny, 202/224-1308
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MEMORANDUM

To: Reporters and Editors
Fr: Jill Gerber, 202/224-6522
Re: Parsonage housing tax exemption
Da: Monday, May 20, 2002

Today President Bush signed into law a bill protecting the housing tax break that ministers, priests and rabbis receive. The bill clarifies that parsonage allowances are limited to the fair market rental value of the residence. Sen. Chuck Grassley, ranking member of the Committee on Finance, was the lead co-sponsor of this bill in the Senate. He made the following comment on the President's action.

“I appreciate the President's quick action. Without this bill, congregations nationwide would have suffered needlessly. Ministers, priests and rabbis work hard for low pay. They depend on their church or synagogue to help with their housing costs. This is especially important in rural areas, where very small congregations have trouble attracting clergy members. If Congress and the President had failed to clarify the parsonage housing tax allowance, churches and synagogues could have taken a huge tax hit. It's reasonable for the tax code to offer modest tax breaks to non-profit organizations like churches and synagogues.”