

CALIFORNIA CONSTITUTION CHURCH PROPERTY TAX EXEMPTION

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1. Can a for-profit organization meet in a church facility in any county in California without jeopardizing that church's property tax-exempt status?

The portion of a property used by a for profit organization at a church will jeopardize the church's exemption on that portion, whether or not the church allows use of the property with or without a fee.

Additionally, any common areas such as restroom facilities, hallways, parking areas that tutors and students use, would not be allowed exemption.

In order for the exemption to be granted, property must be exclusively used for exempt purposes and may not inure to the benefit of any persons or entity.

2. What if the tutoring service is religious in nature, but still a for-profit?

Regardless of the nature of the subject, the for-profit aspect of an organization is the determining factor whether an exemption can be granted.

3. Does it make a difference which exemption the church has - religious, church, or welfare exemption - if the group is for-profit?

It makes no difference what type of exemption the church has; exemption would be disallowed on any portion of the property that a for-profit organization uses.

4. Is there a minimum days per year a for-profit organization can use the church?

No. Exemption cannot be granted if a for-profit organization uses the church at any time.

5. What about a cake baker or a florist for a wedding in a church? Wouldn't hosting a religious homeschool group, just once a week, be similar?

Services for a wedding, such as a cake baker, are not taxable because the wedding is a religious ceremony. Something like piano lessons would not fall under exemption.

6. What if the homeschool group is a nonprofit, but the parents pay the tutors outside the nonprofit?

Sure seems like private benefit.

7. Are these based on California statutes?

Welfare Exemption

The welfare exemption is authorized pursuant section [4\(b\) of article XIII of the California Constitution](#). The Legislature enacted [Revenue and Taxation Code section 214, et al.](#) to implement the Constitutional provision.

Resources for welfare exemption

[*Publication 149 , Property Tax Welfare Exemptions*](#)

[*Assessors' Handbook Section 267, Welfare, Church, and Religious Exemptions*](#)

[*Virtual Nonprofit Seminar*](#)

[*Frequently Asked Questions*](#)

[*Annotated Letters, 880 series*](#) (Legal opinions issued by BOE on specific issues)

Church and Religious Exemption

The religious and church exemptions are authorized pursuant to [section 3\(f\) of article XIII of the California Constitution](#).

The Legislature enacted [Revenue and Taxation Code sections 206, 206.1, and 206.2](#) to implement the church exemption and [sections 207 and 207.1](#) to implement the religious exemption.

Resources for church and religions exemption:

[*BOE website, Church Exemption: California State Board of the Equalization*](#)

[*BOE website, Religious Exemption: California State Board of the Equalization*](#)

STATEMENTS DIRECTLY FROM COUNTIES

San Joaquin County Office of the Assessor (Dahlia 209.468.2677)

Q: Can a church host a for-profit religious homeschool group without jeopardizing the church's tax exempt status?

A: We would need to just assess how much use and then we'd charge property tax accordingly. A church could just make the decision if they wanted to host the group and then be liable for the property tax amount. A must church fill out the required county paperwork for church use (for-profit & nonprofit). The county takes it from there to assess property tax. The county goes off the guidelines laid out by the CA Board of Equalization. With any questions or uncertainty about certain situations, when to tax, we call the CA BOE for the answer.

Yolo County Office of the Assessor (530.666.8135)

Q: Can a church host a for-profit religious homeschool group without jeopardizing the church's tax exempt status?

A: A church would just have to let the county know with their forms when a for-profit group, even if the use is incidental and religious in nature, uses the church. The county would just go ahead and assess that use by square footage. The CA Board of Equalization sets the standards in publication: <http://www.boe.ca.gov/proptaxes/pdf/pub48.pdf>

LA County Office of the Assessor (213.974.3481)

Q: Can a church host a for-profit religious homeschool group without jeopardizing the church's tax exempt status?

A: Can only answer in hypotheticals, but renting to for-profit could be taxable. For all exemptions: church, religious, or welfare, a group using the church must be nonprofit. Whether group is school, educational, or religious, must be a nonprofit otherwise church would be in danger of losing property tax-exempt status.