



Department of the Treasury
Internal Revenue Service
Tax Exempt and Government Entities
1111 Constitution Avenue, NW
TE/GE, SE:T, NCA-660
Washington, DC 20224

GRACE CHURCH SAINT LOUIS
2695 CREVE COEUR MILL RD
MARYLAND HTS, MO 63043-1209

Date:
04/30/2024
Taxpayer ID number:
43-1149290
Form:
990
Tax periods ended:
12/31/2022
Person to contact:
Name: Brian Schroeder
ID number: 1000909102
Telephone: 313-234-1368
Fax: 855-234-1429
Manager's contact information:
Name: Jerry Morrow
ID number: 1000923742
Telephone: 313-234-1307
Response due date:
05/30/2024

Certified Mail - Return Receipt Requested [Certified Mail Label]

Dear GRACE CHURCH SAINT LOUIS:

Why we're sending you this letter

We have some questions about your tax-exempt status as a church under Internal Revenue Code (IRC) Section 501(a).

Our concerns are based on the content published on your website during tax year 2022 which potentially constitute political activity. Your website openly endorsed two of the members of your congregation who were running in a local school board election. Additionally, your website contained a list of fourteen other candidates that were part of various local elections. Your website made statements in either opposition or endorsement of these candidates. All section 501(c)(3) organizations, including churches, their integrated auxiliaries, conventions or associations of churches are prohibited from directly or indirectly participating in, or intervening in, any political campaign on behalf of (or in opposition to) any candidate for elective public office.

We can conduct inquiries and examinations to determine the accuracy of any tax return, create a return when a taxpayer doesn't file one, and determine the tax liability of any person or organization (IRC Section 7602). However, IRC Section 7611 imposes restrictions on us when conducting tax inquiries and examinations of churches and conventions or associations of churches. IRC Section 7611 protects the rights of churches and provides a framework for us to resolve questions about their tax liability and tax-exempt status and to enforce the internal revenue laws.

As Commissioner, Tax Exempt and Government Entities, I have a reasonable belief that you may not be tax-exempt as a church under IRC Section 501(a). I'm approving this church tax inquiry as described in IRC Section 7611(a).

What you need to do

Respond to the enclosed Church Tax Inquiry Questions by the response due date shown above. Answer each question completely. If your responses resolve our concerns, we'll close our inquiry.

Send your response using one of the following methods:

- Upload your response using secure messaging: IRS secure messaging provides a safe means for exchanging information with IRS online. Secure messaging information is available at **IRS.gov/TEGEconnect**. Enclosed is Publication 5295, Secure Messaging for Tax Exempt and Government Entities, which provides additional information about secure messaging. Scan the QR code below for information.
- Fax your response to the fax number at the top of this letter using either a fax machine or an online fax service. Protect yourself when sending digital data by understanding the fax service's privacy and security policies.
- Mail your response to:



Attention: Brian Schroeder, Internal Revenue Agent
Internal Revenue Service
Mail Stop TEGE:EO:7936
985 Michigan Avenue
Detroit, MI 48226

What will happen if you don't respond or send an incomplete response

If we don't hear from you by the response due date shown above or if we receive an incomplete response, we may issue Letter 5309, Notice of Church Examination, and begin examining your records or religious activities.

Taxpayer rights and sources for assistance

The enclosed Publication 5328, Statement of Administrative and Constitutional Rights, explains your administrative and constitutional rights during a tax inquiry and examination. You're entitled to a conference with us to discuss our concerns before we begin an examination. If we send you a Notice of Church Examination, we'll offer you the opportunity for a conference.

The Internal Revenue Code (IRC) gives taxpayers specific rights. The Taxpayer Bill of Rights groups these into 10 fundamental rights. See IRC Section 7803(a)(3). IRS employees are responsible for being familiar with and following these rights. For additional information about your taxpayer rights, please see the enclosed Publication 1, Your Rights as a Taxpayer, and Notice 609, Privacy Act Notice, or visit **IRS.gov/taxpayer-bill-of-rights**.

The Taxpayer Advocate Service (TAS) is an independent organization within the IRS that helps taxpayers and protects taxpayers' rights. TAS can offer you help if your tax problem is causing a financial difficulty, you've tried but been unable to resolve your issue with the IRS, or you believe an IRS system, process, or procedure isn't working as it should. If you qualify for TAS assistance, which is always free, TAS will do everything possible to help you. To learn more, visit **taxpayeradvocate.irs.gov** or call 877-777-4778.

Tax professionals who are independent from the IRS may be able to help you.

State bar associations, state or local societies of accountants or enrolled agents, or other nonprofit tax professional organizations may also be able to provide referrals.

If you submitted a Form 2848, Power of Attorney and Declaration of Representative, or Form 8821, Tax Information Authorization, and asked us to send your authorized representative or appointee copies of written communications, we'll send a copy of this letter to them.

For more information, see the enclosed Publication 1, Your Rights as a Taxpayer and Notice 609, Privacy Act Notice.

If you have questions, you can call the person shown above.

Sincerely,

Edward T.

Killen

Edward T. Killen

Commissioner

Tax Exempt and Government Entities Division

Digitally signed by Edward T.
Killen
Date: 2024.04.28 22:51:16
-04'00'

Enclosures:

Church Tax Inquiry Questions

Publication 5328

Publication 5295

Publication 1

Notice 609

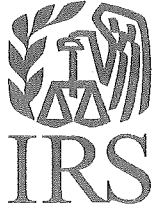
Church Tax Inquiry Questions

Date:

Questionnaire Completed by (Name and Title):

FOR TAX YEAR 2022:

1. Does the Church have a policy on political activities? If yes, explain and give more details as they relate to the policy for year 2022.
2. Did the Church endorse any candidates for public office? According to a newspaper article and an editorial in the St. Louis Post-Dispatch, the Church published on its website an endorsement of two of its congregants, Linda Henning and Jeff Mintzlaff, for local school board office elections.
3. Did the Church use social media platforms and/or websites to provide a position either for or against a candidate for public office? If so, please explain and give more details.
4. Did the Church publish flyers or voter information guides that provided a position either for or against a particular candidate for public office?
5. Did the Church make contributions to a candidate for public office?
6. Did the Church have a political candidate speak at the Church? If so, did the Church offer to have opposing candidates speak at the Church?
7. Explain in detail what the Civic Engagement groups within the church do. What is their purpose and how do they accomplish the purpose?



Your Rights as a Taxpayer

Publication 1

This publication explains your rights as a taxpayer and the processes for examination, appeal, collection, and refunds. Also available in Spanish.

The Taxpayer Bill of Rights

1. The Right to Be Informed

Taxpayers have the right to know what they need to do to comply with the tax laws. They are entitled to clear explanations of the laws and IRS procedures in all tax forms, instructions, publications, notices, and correspondence. They have the right to be informed of IRS decisions about their tax accounts and to receive clear explanations of the outcomes.

2. The Right to Quality Service

Taxpayers have the right to receive prompt, courteous, and professional assistance in their dealings with the IRS, to be spoken to in a way they can easily understand, to receive clear and easily understandable communications from the IRS, and to speak to a supervisor about inadequate service.

3. The Right to Pay No More than the Correct Amount of Tax

Taxpayers have the right to pay only the amount of tax legally due, including interest and penalties, and to have the IRS apply all tax payments properly.

4. The Right to Challenge the IRS's Position and Be Heard

Taxpayers have the right to raise objections and provide additional documentation in response to formal IRS actions or proposed actions, to expect that the IRS will consider their timely objections and documentation promptly and fairly, and to receive a response if the IRS does not agree with their position.

5. The Right to Appeal an IRS Decision in an Independent Forum

Taxpayers are entitled to a fair and impartial administrative appeal of most IRS decisions, including many penalties, and have the right to receive a written response regarding the Office of Appeals' decision. Taxpayers generally have the right to take their cases to court.

6. The Right to Finality

Taxpayers have the right to know the maximum amount of time they have to challenge the IRS's position as well as the maximum amount of time the IRS has to audit a particular tax year or collect a tax debt. Taxpayers have the right to know when the IRS has finished an audit.

7. The Right to Privacy

Taxpayers have the right to expect that any IRS inquiry, examination, or enforcement action will comply with the law and be no more intrusive than necessary, and will respect all due process rights, including search and seizure protections, and will provide, where applicable, a collection due process hearing.

8. The Right to Confidentiality

Taxpayers have the right to expect that any information they provide to the IRS will not be disclosed unless authorized by the taxpayer or by law. Taxpayers have the right to expect appropriate action will be taken against employees, return preparers, and others who wrongfully use or disclose taxpayer return information.

9. The Right to Retain Representation

Taxpayers have the right to retain an authorized representative of their choice to represent them in their dealings with the IRS. Taxpayers have the right to seek assistance from a Low Income Taxpayer Clinic if they cannot afford representation.

10. The Right to a Fair and Just Tax System

Taxpayers have the right to expect the tax system to consider facts and circumstances that might affect their underlying liabilities, ability to pay, or ability to provide information timely. Taxpayers have the right to receive assistance from the Taxpayer Advocate Service if they are experiencing financial difficulty or if the IRS has not resolved their tax issues properly and timely through its normal channels.

The IRS Mission

Provide America's taxpayers top-quality service by helping them understand and meet their tax responsibilities and enforce the law with integrity and fairness to all.

Examinations, Appeals, Collections, and Refunds

Examinations (Audits)

We accept most taxpayers' returns as filed. If we inquire about your return or select it for examination, it does not suggest that you are dishonest. The inquiry or examination may or may not result in more tax. We may close your case without change; or, you may receive a refund.

The process of selecting a return for examination usually begins in one of two ways. First, we use computer programs to identify returns that may have incorrect amounts. These programs may be based on information returns, such as Forms 1099 and W-2, on studies of past examinations, or on certain issues identified by compliance projects. Second, we use information from outside sources that indicates that a return may have incorrect amounts. These sources may include newspapers, public records, and individuals. If we determine that the information is accurate and reliable, we may use it to select a return for examination.

Publication 556, Examination of Returns, Appeal Rights, and Claims for Refund, explains the rules and procedures that we follow in examinations. The following sections give an overview of how we conduct examinations.

By Mail

We handle many examinations and inquiries by mail. We will send you a letter with either a request for more information or a reason why we believe a change to your return may be needed. You can respond by mail or you can request a personal interview with an examiner. If you mail us the requested information or provide an explanation, we may or may not agree with you, and we will explain the reasons for any changes. Please do not hesitate to write to us about anything you do not understand.

By Interview

If we notify you that we will conduct your examination through a personal interview, or you request such an interview, you have the right to ask that the examination take place at a reasonable time and place that is convenient for both you and the IRS. If our examiner proposes any changes to your return, he or she will explain the reasons for the changes. If you do not agree with these changes, you can meet with the examiner's supervisor.

Repeat Examinations

If we examined your return for the same items in either of the 2 previous years and proposed no change to your tax liability, please contact us as soon as possible so we can see if we should discontinue the examination.

Appeals

If you do not agree with the examiner's proposed changes, you can appeal them to

the Appeals Office of the IRS. Most differences can be settled without expensive and time-consuming court trials. Your appeal rights are explained in detail in both Publication 5, Your Appeal Rights and How To Prepare a Protest If You Don't Agree, and Publication 556, Examination of Returns, Appeal Rights, and Claims for Refund.

If you do not wish to use the Appeals Office or disagree with its findings, you may be able to take your case to the U.S. Tax Court, U.S. Court of Federal Claims, or the U.S. District Court where you live. If you take your case to court, the IRS will have the burden of proving certain facts if you kept adequate records to show your tax liability, cooperated with the IRS, and meet certain other conditions. If the court agrees with you on most issues in your case and finds that our position was largely unjustified, you may be able to recover some of your administrative and litigation costs. You will not be eligible to recover these costs unless you tried to resolve your case administratively, including going through the appeals system, and you gave us the information necessary to resolve the case.

Collections

Publication 594, The IRS Collection Process, explains your rights and responsibilities regarding payment of federal taxes. It describes:

- What to do when you owe taxes. It describes what to do if you get a tax bill and what to do if you think your bill is wrong. It also covers making installment payments, delaying collection action, and submitting an offer in compromise.
- IRS collection actions. It covers liens, releasing a lien, levies, releasing a levy, seizures and sales, and release of property.
- IRS certification to the State Department of a seriously delinquent tax debt, which will generally result in denial of a passport application and may lead to revocation of a passport.

Your collection appeal rights are explained in detail in Publication 1660, Collection Appeal Rights.

Innocent Spouse Relief

Generally, both you and your spouse are each responsible for paying the full amount of tax, interest, and penalties due on your joint return. However, if you qualify for innocent spouse relief, you may be relieved of part or all of the joint liability. To request relief, you must file Form 8857, Request for Innocent Spouse Relief. For more information on innocent spouse relief, see Publication 971, Innocent Spouse Relief, and Form 8857.

Potential Third Party Contacts

Generally, the IRS will deal directly with you or your duly authorized representative.

However, we sometimes talk with other persons if we need information that you have been unable to provide, or to verify information we have received. If we do contact other persons, such as a neighbor, bank, employer, or employees, we will generally need to tell them limited information, such as your name. The law prohibits us from disclosing any more information than is necessary to obtain or verify the information we are seeking. Our need to contact other persons may continue as long as there is activity in your case. If we do contact other persons, you have a right to request a list of those contacted. Your request can be made by telephone, in writing, or during a personal interview.

Refunds

You may file a claim for refund if you think you paid too much tax. You must generally file the claim within 3 years from the date you filed your original return or 2 years from the date you paid the tax, whichever is later. The law generally provides for interest on your refund if it is not paid within 45 days of the date you filed your return or claim for refund. Publication 556, Examination of Returns, Appeal Rights, and Claims for Refund, has more information on refunds.

If you were due a refund but you did not file a return, you generally must file your return within 3 years from the date the return was due (including extensions) to get that refund.

Taxpayer Advocate Service

TAS is an *independent* organization within the IRS that can help protect your taxpayer rights. We can offer you help if your tax problem is causing a hardship, or you've tried but haven't been able to resolve your problem with the IRS. If you qualify for our assistance, which is always free, we will do everything possible to help you. Visit www.taxpayeradvocate.irs.gov or call 1-877-777-4778.

Tax Information

The IRS provides the following sources for forms, publications, and additional information.

- **Tax Questions:** 1-800-829-1040 (1-800-829-4059 for TTY/TDD)
- **Forms and Publications:** 1-800-829-3676 (1-800-829-4059 for TTY/TDD)
- **Internet:** www.irs.gov
- **Small Business Ombudsman:** A small business entity can participate in the regulatory process and comment on enforcement actions of the IRS by calling 1-888-REG-FAIR.
- **Treasury Inspector General for Tax Administration:** You can confidentially report misconduct, waste, fraud, or abuse by an IRS employee by calling 1-800-366-4484 (1-800-877-8339 for TTY/TDD). You can remain anonymous.



Department of the Treasury
Internal Revenue Service

Notice 609

(Rev. October 2013)

Privacy Act Notice

The Privacy Act of 1974 says that when we ask you for information about yourself, we must first tell you our legal right to ask for the information, why we are asking for it, and how it will be used. We must also tell you what could happen if you do not provide it and whether or not you must respond under the law.

This notice applies to tax returns and any papers filed with them. It also applies to any questions we need to ask you so we can complete, correct, or process your return; figure your tax; and collect tax, interest, or penalties. We ask for information to carry out the U.S. tax laws. We need the information to figure and collect the right amount of tax.

Our legal right to ask for information is found in Internal Revenue Code sections 6001, 6011, and 6012 and their regulations. They say that you must file a return or statement with us for any tax you are liable for. Your response is mandatory under these sections. Sections 7601–7613 authorize us to examine books and records and ask questions to obtain information we need. Section 6109 and its regulations say that you must provide your identification number on what you file. Paid tax return preparers and electronic return originators are also required to provide their identifying numbers.

We may give the information to the Department of Justice to enforce the federal civil and criminal tax laws, and to other federal agencies as provided by law. We may also give it to cities, states, the District of Columbia, and to U.S. commonwealths or possessions to carry out their tax laws. We may give it to certain foreign governments under tax treaties they have with the United States. We may also disclose this

information to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

If you do not file a return, the law says that you may be subject to penalties and interest, and in certain cases, criminal prosecution. If you do not provide required information, or provide false or fraudulent information, the law says that we may have to disallow the exemptions, exclusions, credits, deductions, or adjustments shown on your return. This could make your tax higher or delay any refund. You may also be subject to additional interest, penalties, or criminal prosecution.

Please keep this notice with your records. You may want to refer to it if we ask you for other information. If you have questions about the rules for filing and giving information, please visit our website at IRS.gov, or call or visit any Internal Revenue Service office.



Statement of Administrative and Constitutional Rights

Statement of Administrative and Constitutional Rights

The First Amendment of the Constitution provides that "Congress shall make no law respecting an establishment of religion or prohibiting the free exercise thereof." The first clause is referred to as the Establishment Clause; the second is the Free Exercise Clause. The Establishment Clause prohibits government sponsorship of religion. Central to this prohibition are the concepts of government neutrality and the separation between church and state. The Supreme Court has held that the Free Exercise Clause of the First Amendment is an absolute prohibition against the regulation of religious beliefs. The First Amendment provides substantial protection for lawful conduct grounded on religious beliefs. However, the government may limit religiously motivated conduct when the limitation is essential to accomplish an overriding governmental interest. Section 7611 of the Internal Revenue Code (IRC) provides the following protections to organizations claiming to be churches or conventions or associations of churches:

1. The IRS may begin a church tax inquiry only if an appropriate high-level Treasury official reasonably believes, based on written facts and circumstances, that an organization claiming to be a church or convention or association of churches:
 - May not qualify for exemption,
 - May be carrying on an unrelated trade or business (within the meaning of IRC Section 513),
 - May otherwise be engaged in taxable activities, or
 - May have entered into an IRC Section 4958 excess benefit transaction with a disqualified person.
2. If the IRS begins a tax inquiry, it is required to provide the church written notice at the beginning of the inquiry. The Notice of Church Tax Inquiry must contain all of the following:
 - An explanation of the concerns that gave rise to the inquiry
 - The general subject matter of the inquiry
 - An explanation of the IRC provisions that authorize the inquiry
 - A general explanation of applicable administrative and constitutional provisions with respect to the inquiry
3. If the IRS wants to examine a church's records or religious activities, the Secretary of the Treasury, or his or her delegate, must personally approve the examination and must provide an additional written notice (Notice of Church Examination) to the church at least 15 calendar days before the examination. At the same time the IRS gives notice to the church, the IRS must notify IRS Counsel of the proposed examination. IRS Counsel is then allowed 15 days to file a non-binding advisory opinion about the examination.

Statement of Administrative and Constitutional Rights

The Notice of Church Examination must include all of the following:

- A copy of the Notice of Church Tax Inquiry previously provided
- A description of the church records and activities which the IRS wants to examine
- A copy of all documents collected or prepared by the IRS for use in the examination that are required to be disclosed under the Freedom of Information Act (5 U.S.C. 552) as supplemented by IRC Section 6103
- An offer of a conference with the IRS, prior to the examination, to discuss the concerns which gave rise to the inquiry and the general subject matter of the inquiry

The IRS may send the Notice of Church Examination to the church no less than 15 days after the Notice of Church Tax Inquiry. However, the IRS must generally mail the Notice of Church Examination, within 90 days after the Notice of Church Tax Inquiry or the IRS is required to end the inquiry without change to the church's tax status.

4. If the IRS fails to substantially comply with the above requirements, it may result in a stay of summons enforcement proceedings to gain access to church records until the IRS satisfies the requirements.
5. The IRS generally must complete any church tax inquiry or examination no later than two years after the date on which it mailed the Notice of Church Examination to the church. The two-year period may be extended by mutual agreement between the church and the IRS.

The church tax inquiry or examination will also be suspended during certain judicial proceedings and during any period more than 20 days but not more than six months, during which a church or its agents fail to comply with any reasonable IRS request for church records or other information. However, in the case of a church tax inquiry in which there is no Notice of Church Examination, the IRS must generally complete the inquiry within 90 days from the date it mailed the Notice of Church Tax Inquiry to the church.

6. The IRS is limited initially to an examination of church records relevant to the church's tax-exempt status for the three most recently completed tax years preceding the date of the Notice of Church Examination.

If the church is not exempt for any of those three years, the IRS may examine relevant records for the six completed tax years immediately preceding the Notice of Church Examination. The IRS may examine church records for a year earlier than the third or sixth completed taxable years if material to a determination of tax-exempt status during the three or six-year period.

Statement of Administrative and Constitutional Rights

For examinations relating to unrelated business taxable income, when no return is filed, the IRS may assess tax for the six most recently completed taxable years preceding the date of the Notice of Church Examination. The IRS may examine church records for a year earlier than the sixth year if material to a determination of unrelated business income tax liability during the six-year period.

For examinations involving issues other than determination of exempt status or unrelated business income tax liability, there is no limit on the taxable periods the IRS may examine if the church has not filed a tax return. If a church has filed a tax return, the normal rules for determining tax liability or assessing tax apply.

7. IRS Counsel must approve, in writing, any of the following:
 - An adverse determination concerning the tax-exempt status of an organization claiming to be a church
 - An adverse determination concerning the right of an organization claiming to be a church to receive tax deductible contributions
 - The issuance of a notice of tax deficiency to a church or disqualified person subject to IRC Section 4958 tax following a church tax examination
8. An organization claiming to be a church is entitled to bring a declaratory judgment action under IRC Section 7428 once the IRS issues a revenue agent's final report revoking or denying the church's tax-exempt status.
9. The Secretary of the Treasury, or his or her delegate, must approve an inquiry or examination begun within five years from the date of the Notice of Church Examination (or if no Notice of Church Examination is sent, a Notice of Church Tax Inquiry). This approval is not required if either of the following apply:
 - The second examination does not involve the same or similar issues as the preceding inquiry or examination
 - The first inquiry or examination resulted in a change to the organization's exempt status, an assessment of unrelated business income tax or other tax, or a recommendation for a substantive change in the church's operations, including accounting practices