



Facsimile Transmission

51 Louisiana Avenue, N.W. • Washington, D.C. 20001-2113 • [REDACTED]

Facsimile: [REDACTED]

Please hand deliver the following facsimile to:

To: [REDACTED]
Company: [REDACTED]
Fax: [REDACTED]

Date: 11-26-2024
Pages: 5

From: Pagliarella, Christopher C.
Phone: [REDACTED]

Subject: Attn: Brian Schroeder

Message:

Please see the attached Request for Formal Pre-Examination Conference.

John M. Gore

Partner

JONES DAY(r) - One Firm

Worldwide(r)<[https://urldefense.com/v3/__http://www.jonesday.com/__;!!JA-VglJBzzC!6tIPPNMlgl9Cx0J_sWa4Q_zV2ck6gF4RYOqQa6WZdjjX9Fj1f0U4357ial6bO6nMrQ\\$>](https://urldefense.com/v3/__http://www.jonesday.com/__;!!JA-VglJBzzC!6tIPPNMlgl9Cx0J_sWa4Q_zV2ck6gF4RYOqQa6WZdjjX9Fj1f0U4357ial6bO6nMrQ$>)



This e-mail (including any attachments) may contain information that is private, confidential, or protected by attorney-client or other privilege. If you received this e-mail in error, please delete it from your system without copying it and notify sender by reply e-mail, so that our records can be corrected.

NOTICE: This communication is intended to be confidential to the person to whom it is addressed, and it is subject to copyright protection. If you are not the intended recipient or the agent of the intended recipient or if you are unable to deliver this communication to the intended recipient, please do not read, copy or use this communication or show it to any other person, but notify the sender immediately by telephone at the direct telephone number noted above.

Please call the sender immediately if the facsimile you receive is incomplete or illegible.

AMSTERDAM • ATLANTA • BEIJING • BOSTON • BRISBANE • BRUSSELS • CHICAGO • CLEVELAND • COLUMBUS • DALLAS
DETROIT • DUBAI • DÜSSELDORF • FRANKFURT • HONG KONG • HOUSTON • IRVINE • LONDON • LOS ANGELES • MADRID
MELBOURNE • MEXICO CITY • MIAMI • MILAN • MINNEAPOLIS • MUNICH • NEW YORK • PARIS • PERTH • PITTSBURGH
SAN DIEGO • SAN FRANCISCO • SÃO PAULO • SHANGHAI • SILICON VALLEY • SINGAPORE • SYDNEY • TAIPEI • TOKYO • WASHINGTON

JONES DAY

November 26, 2024

Via Regular Mail and Facsimile 855-234-1429

Attention: Brian Schroeder, Internal Revenue Agent
Internal Revenue Service
Mail Stop TEGE:EO:7936
985 Michigan Avenue
Detroit, MI 48226
ID Number: 1000909102

Re: Grace Church St. Louis Request For Formal Pre-Examination Conference

Dear Mr. Schroeder:

Along with First Liberty Institute, we represent Grace Church St. Louis (“Grace”). On Grace’s behalf, we write in response to your letter dated October 28, 2024, stating that the IRS has opened a Church Examination related to the taxable year ended December 31, 2022.

The IRS’s decision to open a Church Examination is disappointing. As Grace explained in its August 16, 2024 letter, any IRS inquiry or examination into Grace’s exercise and expression of its religious beliefs violates the First Amendment. Moreover, the IRS’s inquiry, and now examination, into Grace contravene federal law and Congress’s safeguards against improper government intrusion into a church’s religious affairs. Specifically, the IRS failed to comply with Section 7611 of the Internal Revenue Code when it opened the church tax inquiry, and any action punishing Grace for its religious exercise would violate the Religious Freedom Restoration Act (“RFRA”). And even if the IRS’s inquiry or examination of Grace had a tenable legal basis, they are an exercise in futility: no inquiry or examination can change Grace’s tax-exempt status because, as the IRS’s own guidance recognizes, churches “are automatically considered tax exempt.” IRS Pub. 1828 at 2 (Rev. 8-2015).

The IRS requested, and Grace consented to, a 31-day extension to respond to Grace’s August 16, 2024 letter. In total, the IRS took two and a half months before responding to that letter. Even with that lengthy response time, however, the IRS still has failed to address the serious constitutional, legal, and factual issues Grace raised. Instead, it has now gone even further afield of the constitutional and legal restrictions on government intrusion on religious affairs: it not only has opened the Church Examination, but it has also dramatically expanded the scope of sensitive

Brian Schroeder
November 26, 2024
Page 2

and internal documents and information regarding Grace's religious affairs that it is demanding Grace produce.

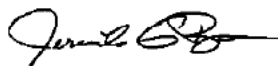
The IRS's regrettable approach to Grace leaves Grace no choice but to request a formal pre-examination conference. *See, e.g.*, 26 U.S.C. § 7611(a)(3)(B)(ii)(I) (describing "the right to a conference with the Secretary before any examination of church records"); 26 C.F.R. § 301.7611-1 at A-10; Internal Revenue Manual 4.70.19.7.4(2). Grace remains hopeful that the IRS will respond to the constitutional, legal, and factual issues Grace has raised in advance of the conference. Such a response would facilitate a productive and mutually beneficial conference that can—and should—resolve any of the IRS's outstanding concerns without the need to proceed any further with the Church Examination.

The extension that the IRS requested and Grace consented to, along with the timing of the IRS's decision to open the Church Examination, presents scheduling challenges for Grace and its counsel. Understandably, the upcoming holiday season, including the Christmas season of December and early January, is an especially busy time for a large Christian church and its ministry. Moreover, Grace officials and Grace's counsel bear significant end-of year administrative obligations and have already scheduled prepaid holiday travel with family and loved ones. Grace's counsel also have multiple preexisting court and professional obligations well into January.

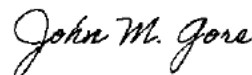
For those reasons, Grace's leadership and its counsel are not available to participate in a conference until January 27, 2025 or later. We propose that the conference take place during the week of January 27–31, 2025.

Please do not hesitate to contact either of us to find a mutually convenient date and time for the conference during that week.

Sincerely,



Jeremiah G. Dys
FIRST LIBERTY INSTITUTE
2001 West Plano Parkway, Suite 1600
Plano, TX 75075



John M. Gore
JONES DAY
51 Louisiana Avenue, NW
Washington, DC 20001

