

Frisco archdiocese to appeal tax ruling

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SAN FRANCISCO -- The San Francisco Archdiocese said it was confident a civil court would rule in its favor over a determination by a city tax appeals board that the archdiocese owes millions of dollars in unpaid property transfer taxes.

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In a unanimous ruling Nov. 30, San Francisco's Transfer Tax Appeals Board said the archdiocese must pay property transfer taxes for moving church properties from one nonprofit entity to another. According to the board, the archdiocese owes \$14.4 million.

In a statement released the same day, the archdiocese said that more than 19 months ago, it presented "a straightforward transaction" requesting to change the titles of ownership on various pieces of property, including churches, vacant lots, apartment buildings, schools and storefronts around the city.

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But it said it has faced "inexcusable delays and, at times, arrogance" from the city's Office of the Assessor-Recorder in its handling of the request.

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According to the archdiocese, the transfers were part of an internal reorganization and not subject to taxation according to the law on intrachurch property transfers.

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Phil Ting, who heads the assessor-recorder office, told the San Francisco Chronicle daily newspaper that the entities involved in the transfers have different boards of directors and are considered legally separate entities.

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"In view of the fact that the law pertaining to this intrachurch property transfer matter is overwhelmingly in favor of the archdiocese, we are obviously disappointed that the city's Transfer Tax Appeals Board did not follow the law," the archdiocesan statement said.

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It said board members "apparently faced a tremendous amount of pressure" because the city's deficit is projected at \$550 million over the next couple of years.

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Ting said the board reached its decision according to the law, not because of pressure or revenue shortfalls.

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The archdiocese said it had "exhausted the required administrative process" regarding the property transfers and would proceed to "a formal, neutral civil court forum."

"We trust that the civil court will carefully consider the applicable law, devoid of the sensationalism and politics the archdiocese thus far has faced," it said.

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