

## PROPERTY TAXES + EXEMPT PROPERTY

Please note that simply because the Archdiocese owns a certain parcel of land does not mean that the land is exempt from property tax in Georgia. To be exempt, the Church must be using the property for an exempt purpose on January 1 of a particular tax year. And vacant land does not qualify as being “used for an exempt purpose”.

Georgia law provides that the use of a piece of property on January 1 of a tax year determines whether or not that piece of property is exempt from property taxes for the rest of that tax year. For example, documentation that shows an exempt use of a piece of property in March, 2012 does not mean, nor prove, nor support the position as an exempt use as of January 1, 2012.

Documented, exempt use in March of 2012 would be helpful when filing for an exemption application for 2013 but will do nothing for 2012. To support an exemption for 2012, the use needs to be in place, and occurring PRIOR to January 1, 2012, and the best support for documenting such usage is information in your church bulletins, pictures of the events, etc.

Georgia law provides that the following uses, among others, provide for an exemption for a parcel of property:

- (1) all places of burial;
- (2) all places of religious worship;
- (3) all property owned by and operated exclusively as a church, an association or convention of churches, a convention mission agency, or as an integrated auxiliary of a church or convention or association of churches, when such entity is qualified as an exempt religious organization under Section 501©(3) of the Internal Revenue Code and such property is used in a manner consistent with such exemption; and
- (4) all property owned by religious groups and used only for single-family residences when no income is derived from the property.

We understand that small parcels of land that incorporate a Prayer or Reflection Garden, or Stations of the Cross, etc., can assist in qualifying the property as being used for religious purposes, but the time to do your homework is between now and year-end. So please get busy with using parish property in a more routine, religious manner now, IF you plan to try to qualify it as being tax exempt on religious usage basis before year end. We can also put parishes in touch with an attorney who assists with these efforts, if you need additional guidance.

If you have any questions please contact Michael Warren at MWarren@archatl.com or 404-920-7411. Thanks.