

High court strikes at Scientology

Ruling will stop tax deductions

A Tribune Staff and Wire Report

WASHINGTON — The Supreme Court ruled Monday that taxpayers can't deduct the cost of Church of Scientology courses and counseling.

In Clearwater, where the church has its headquarters and is locked in legal battles with the city and the Pinellas County Property Appraiser, local officials were encouraged by the ruling.

The 5-2 ruling written by Justice Thurgood Marshall said that money paid to the church by Scientologists for training and a form of counseling called "auditing" are more like fees for a service than donations to a church.

The church requires fixed donations of as much as \$3,000 for 12½ hours of auditing, during which a person confesses his innermost thoughts while his responses are monitored on a lie detector-type device known as the E-meter.

Scientologists believe "auditing" helps an individual achieve a higher level of "spiritual competence." The training courses study the doctrines of Scientology.

Church members have tried to deduct the amounts for the auditing and training from their taxes as charitable donations. The Internal Revenue Service disallowed them.

Marshall wrote that the payments are not contributions or gifts within the meaning of IRS rules and therefore are not tax-deductible. His opinion also held that the rule does not infringe on the First Amendment rights of Scientologists to freedom of religion.

But the Rev. Brian Anderson, vice president of the Church of Scientology in Washington, D.C., said in a statement that if the ruling is allowed to stand, it "will give license to the IRS to practice discrimination against other religions and have a disastrous effect upon the religious freedom of all Americans."

The church and several other charitable groups filed suit against the Clearwater City Commission in 1984 over an ordinance requiring any church or charity soliciting money within city limits to register with the city and provide financial statements showing how the donations are collected and spent.

Alan Zimmet, who is representing Clearwater in that lawsuit, said the decision that fixed donations to

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the church in effect are a payment for services rather than a charitable donation provides support for the city's contention that the church is not a non-profit organization.

Because the church is not the only plaintiff in the lawsuit against the city, Zimmet said the Supreme Court ruling probably won't have as much impact on that case as it will on the case with the county property appraiser.

In that lawsuit, the church is challenging the property appraiser's ruling that it does not qualify for a

religious tax exemption.

The church stopped paying taxes on its 12 parcels of property in 1982 and owes the county \$3.4 million, including \$1.16 million in interest and fees, claiming the exemption.

But county Property Appraiser Jim Smith says the church has not provided proof that it is a non-profit organization and, therefore, tax exempt.

The case, being heard in Pinellas County Circuit Court, is under a gag order.

Paul B. Johnson, a Tampa attorney representing the Church of Scientology in its lawsuit against the

property appraiser, said he doesn't think the Supreme Court ruling will have any impact on the Pinellas County case.

"It deals with the deduction of a fixed donation," he said. "It doesn't go to the question of whether the church is a religious institution."

Anderson said the ruling "not only hurts Scientologists, but also poses a threat to deductions for other religious contributions. ... The freedom to support one's religion is a constitutional right guaranteed every American. Today's decision seeks to destroy those rights and puts the Constitution in the back

seat behind the Internal Revenue Code."

The case was brought by Robert Hernandez, who claimed an income tax deduction of \$7,338 for contributions to the church in 1981. The IRS denied it and assessed him a penalty of \$2,245, a decision upheld by the 1st U.S. Circuit Court of Appeals.

Dozens of lawsuits have been filed against the church founded by the late science fiction writer L. Ron Hubbard by former members who have charged they were defrauded and harassed by the organization.