

## **FWB Update, Vol. 4, No. 5, Wednesday, February 3, 2010**

### **OPENING REMARKS: "Housing Allowance or Parsonage and Taxes for a Minister"**

There are basically two types of federal taxes that a minister must pay when he files his personal federal income tax returns: 1) Income taxes and 2) Self-employment (Social security/Medicare) taxes. The housing allowance for an ordained or licensed minister is subject to self-employment taxes. If the church owns the home in which the pastor lives, the fair rental value of the parsonage is subject to self-employment taxes, but the fair rental value of the parsonage or the housing allowance for the minister is excluded from Federal income taxes. If the church helps the minister by paying the self-employment taxes for the minister's salary, housing allowance, or the fair rental value of the parsonage, the amount they pay him for helping with the self-employment tax is subject to income tax and self-employment taxes and must be included as income.

The amount that may be excluded from gross income as housing allowance for income tax purposes is the **least** of the following:

1. The amount of salary designated as housing allowance by the church;
2. The actual expenses incurred by the pastor to maintain his home.
3. The fair rental value of the home (as furnished) plus the cost of utilities.

If the housing allowance designated by the church exceeds the actual amount of housing expenses for the pastor, the excess is subject to both federal income taxes and self-employment taxes. The amount designated as housing allowance by the church constitutes the "cap" on the amount that may be excluded from gross income for income tax purposes. In other words, if the actual expenses are higher than the designated housing allowance, the minister can only count the designated housing allowance and not the actual expenses as exempt from Federal Income Tax. Actual housing expenses include rent, utilities (gas, electric, propane, firewood, coal, basic telephone service, water, garbage removal, cable, internet connection), mortgage payments (principal and interest), real property taxes and assessments, home owner insurance premiums, lawn care expenses (including hedge trimmers, weed trimmers, and lawn mowers), repairs, purchase of furnishings and appliances (such as refrigerator, microwave oven, stove, dishwasher, vacuum cleaner, and television), house cleaning supplies, and improvements. In the case where a minister owns more than one home, only one home can be counted for housing for exemption from self-employment taxes. If the minister owns his own home and a home equity loan is taken, the minister can only include the equity loan payments as exempt from self-employment taxes if the home equity loan was taken to make improvements on the home. If the home equity loan was taken to purchase a car or for some other reason other than making improvements on the home, the home equity loan payments may not be excluded from self-employment taxes.

The church should make the housing allowance designated in writing in advance of the calendar year. A church should give a minister a W-2 Income statement at the end of every year. It is not recommended for his yearly church salary to be reported on a 1099 Form. A 1099 Form should be used to report extra income such as revivals, etc. It is important for the minister to keep good records and receipts of actual housing expenses. These issues are important, especially this time of year when ministers are preparing to file tax returns and when they are considering what amount to set as housing allowance for the coming year.

### **PRAYER / PRAISE REQUEST:**

- 1) Please pray for state moderator **Reverend Sherwood Lee's granddaughter** as she has been facing some health issues recently.
- 2) Please continue to pray for **Dana**, the daughter of Reverend Donald Jacobs pastor at Bethel FWB Church in Fort Mill. She was in a serious vehicle accident and is now home recovering.
- 3) Please remember the **family of Dr. Fay Forlines** in prayer. Her sister Marie Glenn passed away February 1, 2010.
- 4) **Reverend Tim Hackett**, pastor at Fairview FWB Church in Spartanburg and chairman of the SC Free Will Baptist Children's Home Board, had surgery this week and is home recovering. Please remember him in prayer.

### **MINISTER NEWS:**

- 1) **Florence/Darlington Area Minister Breakfast** - Tuesday, February 9, 2010, at Bazen's Restaurant, at 8:30 AM.
- 2) **Lake City Area Minister Breakfast** - Tuesday, February 16, 2010, at Prosser's Restaurant, at 8:30 AM.

### **CHURCH NEWS:**

#### **February**

1-4 WINTER CAMP MEETING - **Mt. Trolly FWB Church, Galivant's Ferry** - Evangelist Mack Hutson, 7:30 PM nightly

5-6 WINTER JUBILEE - **First FWB Church, Simpsonville** (Friday 7:30 PM / Saturday 9:30 AM)

Pastor, Dr. Chris Jackson / also James Julian, Wesley Campbell, and Kenneth Cash  
13-14 21st Century Soul Winning Seminar - **Gilead FWB Church in Scranton** - Free Seminar - Valuable materials will be available

Practical answers to important questions about reaching the lost for Christ. (Sat, Feb 13 - 10 AM - 12 Noon with lunch)

Please RSVP to 843-394-8887. Services and Seminars by Dr. David A. Wood of Trenton, GA - [www.dwministries.org](http://www.dwministries.org)

20 TMT DRAMA - The Teen Ministry Team from White Savannah FWB Church will be ministering at **St. John FWB Church in Pamplico** on Saturday, February 20, 2010

Meal at 4:30 PM / Service at 6 PM

#### **March**

1-5 **REVIVAL - South Conway FWB Church** located at 3602 Copperhead Road in Conway, with Reverend Billy Poe Jones, March 1-5, 2010 (7:30 PM Nightly)

Pastor Paul Lambert and congregation invites everyone to attend.

8-12 **REVIVAL - Little Star FWB Church** in Johnsonville with Reverend Stephen Hyman. (7:30 PM Nightly)

\*Please send church news announcements via email to [ToddSmith@scfwb.com](mailto:ToddSmith@scfwb.com) by Tuesday of each week for the following SC FWB Update.

### **YOUTH MINISTRY -- CTS/NYC NEWS:**

1) **South Carolina Conference Second CTS/NYC Preliminary Meeting** - Saturday, February 6, 2010, Sand Hill FWB Church, Registration 9 AM

2) **Teen Camp, Camp Anchorage, Wacamaw, NC** - June 7-11, 2010 - cost \$225 / A rebate of \$50 per camper will be issued if there are at least 100 teens to attend Teen Camp!

3) **Junior Youth Camp, Camp Pee Dee**, August 2 - 6, 2010. Vince Tharpe with Art Alive Ministry will be the Evangelist. Please visit Brother Vince's website at [www.Artalive.org](http://www.Artalive.org)

### **WAC NEWS:**

1) **Central District WAC Meeting** - Saturday, February 20, 2010 - Rains FWB Church in Rains, SC. 9:30 AM

2) **South Carolina Conference WAC Meeting** - Saturday, February 27, 2010 - Liberty FWB Church in Manning.

2) The **Beaver Creek District Meeting** will be held at the First Free Will Baptist Church in Inman, **Saturday, March 6th**. Alyene Lucas will be our guest speaker and will share her experiences with us regarding her trip to the Ivory Coast with the Hanna Project Medical Mission's trip. We will also be having a 'personal gift shower' for the students at the Gwen Hendrix Hispanic Bible Institute in memory of Mrs. Gwen Hendrix. We are looking forward to having a great day as we celebrate being the, "Bride of Christ." Registration begins at 9:00 a.m. in the educational/cafeteria building.

3) The **South Carolina Women Active for Christ** state meeting will be hosted by **Beulah Free Will Baptist Church in Pamplico on March 20, 2010**. The Women Nationally Active for Christ ministry is celebrating its 75th year. Our state has contributed to our rich WNAC heritage, and we have chosen as our theme for this year, "Celebrating Our Heritage" with Mrs. Maude Coffey and Mrs. Rebecca (Coffey) Pugh as our guest speakers. Mrs. Maude Coffey served as the Vice President of the WNAC from South Carolina during the years 1957-1959 and became the WNAC President in 1959. Her daughter Rebecca Pugh has been our WNAC President since 2008. Please make preparations to come and have a great time of fellowship as we remember our past, recognize our present, and realize our future potential. Registration for the state meeting will begin at 9:00 AM. Lodging reservations may be made at the following motels: Florence motels at I-95 and Hwy 52 (approximately 45 minutes from Beulah) Holiday Inn - 1819 Lucas Street - 843-665-4555; Ramada Inn - 2038 Lucas Street - 843-669-4241; Country Inn and Suites - 1739 Mandeville Road - 843-317-6616; Days Inn - 2111 W. Lucas Street - 843-665-4444; Wingate Inn - 2123 W. Lucas Street - 843-629-1111. Lake City Motels at Hwy 52 (approximately 25 minutes from Beulah) Lake City Inn - 202 N. Ron McNair Blvd. 843-394-8400."

### **CLOSING REMARKS:**

Thomas Brooks wrote:

Satan promises the best, but pays with the worst;  
he promises honor and pays with disgrace;  
he promises pleasure and pays with pain;  
he promises profit and pays with loss;  
he promises life and pays with death.

Job was the wealthiest man in the east in his day. In those days' wealth was measured primarily in terms of land, animals, and servants. Job had all three in abundance. Job was prosperous in his family (seven sons and three daughters). Job was great in his piety. He was not sinless, but he was complete and mature in character and straight in his conduct. Satan appears in heaven to

accuse the saints of God. He would like to be able to turn the eyes and heart of God away from His children. It is not long before you observe Satan plotting, planning, and scheming against Job. Satan plays havoc in Job's life. Satan sets out to get Job. He will attempt destroying you as well. It would do us well to observe the tactics in which Satan endeavored to dismantle Job. May we learn from the life of Job some of the devices of Satan to get an advantage of us. Years ago, I saw the following outline and wrote it down, so it is not original with me, but notice the areas through which Satan attacked Job:

- 1) He tried getting Job through his Faith (Job 1:11)
- 2) He tried getting Job through his Funds (Job 1:14-17)
- 3) He tried getting Job through his Family (Job 1:18-19)
- 4) He tried getting Job through his Flesh (Job 2:7,8)
- 5) He tried getting Job through his Friends (Job 2:11-13; 15:1-5; 22:1-5)

Satan is a real person with great intellect. He is extremely subtle. We must not underestimate him. He desires the destruction of every man. He will use anything and everything to distract, disappoint, and defeat you. He walks about as a roaring lion seeking whom he may devour. If we are constantly aware of Satan's devices, consistently surrendered to the Lord's will, and concentrating on the Word of God, Satan will be less prone to trip us up in our spiritual walk with the Lord.

Walking Alarmingly While Winning Souls for Christ!

Todd Smith, Executive Secretary  
SC Free Will Baptist State Office  
1169 Atkinson Str / PO Box 9  
Turbeville, SC 29162 / [www.scfwb.com](http://www.scfwb.com)  
WK 843-657-2091 / [ToddSmith@scfwb.com](mailto:ToddSmith@scfwb.com)