

All Saints challenges IRS 'vagueness' IRS won't say how sermon violated rules: IRS won't say how sermon violated rules

by [John Dart](#) in the [October 16, 2007](#) issue

The large and liberal All Saints Episcopal Church in Pasadena, California—after squirming on the hook for two years as the Internal Revenue Service examined the content of a preelection sermon—has been tossed back into the religious stream because its “political intervention” favoring one candidate “appears to be a one-time occurrence.” The church will not lose its tax-exemption over the October 31, 2004, sermon.

In delivering that judgment, the Department of the Treasury letter that arrived September 10 also noted that policies were in place at the 3,500-member church to prevent prohibited political campaign activities. But the department urged the church to remind future speakers not to endorse candidates.

Because the IRS did not indicate where rector emeritus George Regas may have crossed the line in his sermon (“If Jesus Debated Senator Kerry and President Bush”), the present rector, J. Edwin Bacon Jr., announced September 23 that the church is mounting a counteroffensive.

“While we are pleased that the IRS examination is finally over,” Bacon said at a news conference, “the IRS has failed to explain its conclusion regarding the single sermon at issue. Synagogues, mosques and churches across America have no more guidance about the IRS rules now than when we started this process.”

The terse government letter “leaves a chilling effect cast over the freedom of America’s pulpits to preach core moral values,” said Bacon. He said the church is seeking an apology and answers—including whether partisan politics came into play.

The church's Washington-based law firm, Caplin and Drysdale, wrote to Linda E. Stiff, acting IRS commissioner, on September 21 charging not only that the church tax inquiry was flawed but also that e-mails from the IRS allegedly solicited the Department of Justice for "views on the All Saints case" in February 2006—before any summons was issued to the church or any court action was on the horizon.

Through its lawyers, the church obtained the information by filing requests under the Freedom of Information Act. Attorneys said that contact between the Justice and Treasury departments heightened concern that the IRS probe "may have been influenced by partisan political considerations." The church also wrote to Treasury's inspector general for tax administration about those concerns.

Bacon, speaking to reporters after informing parishioners September 23, said that the legal work for All Saints has cost \$200,000 and only \$100,000 has been raised from donors. Several other religious leaders present lauded the latest response to the IRS, including Maher Hathout, senior adviser to the Muslim Public Affairs Committee, who said that democratic ideals are at stake.

"We have a responsibility to advocate not only for All Saints Church," Bacon said, "but for other organizations struggling to navigate the murky waters of the IRS rules distinguishing between issue advocacy and partisan intervention."

Regas, who retired as rector a decade ago, explicitly said in his guest sermon in 2004 that he was not telling churchgoers how to vote. "Good people of profound faith will be for either George Bush or John Kerry for reasons deeply rooted in their faith," Regas said then.

An analysis of the sermon published in the *Pasadena Weekly* noted Regas's disclaimers, but also observed that All Saints' history of backing liberal causes was well known.

"While Kerry is lumped in with Bush through much of the sermon for initially acquiescing to the Iraq war and not speaking loudly enough for the poor," said the story, "the overall feel of the speech appeared to single out the president as the point man on these sociopolitical problems."

Jesus, in the preacher's depiction, tells both presidential candidates regarding the Iraq invasion, "Remember, the killing of innocent people to achieve some desired goal is morally repudiated by anyone claiming to follow me as their Savior and

Guide.”

To senator and president, Jesus says in the sermon that the September 11 tragedy called for a response “but not in kind,” not by vengeance or by war. Jesus then addresses Bush: “Mr. President, your doctrine of preemptive war is a failed doctrine. Forcibly changing the regime of an enemy that posed no imminent threat has led to disaster.”

In his sermon September 23, Bacon disavowed party allegiances for the Episcopal Church. The Baptist-raised Bacon said he joined the Episcopal Church when it was known as “the Republican Party at prayer.”

“It would be a regression for the Episcopal Church to be referred to as the Democratic Party at prayer,” Bacon continued. “I want to have nothing to do with partisan politics because I want us to be free—free to critique our government, whoever is in power, and free to criticize . . . our own indifference and complicity in any form of oppression.”