

# Tax exemptions



Walz v. Tax Commission of City of New York (397 U.S. 664, 1970)

## The conclusion of this case:

it found such a policy to be in furtherance of the state's neutrality within the meaning of the establishment clause.

The goal: The goal of tax exemptions was to help nonprofit institutions that the government regarded as important to the community.

Chief Justice Warren Burger made it clear that the tax exemption "is neither the advancement nor the inhibition of religion";

it is an indirect economic benefit that should be distinguished from the direct subsidy that produces the "excessive governmental entanglement" that the establishment clause prohibits.

Bob Jones University v. United States [PolS 358] and Goldsboro Christian Schools v. United States (461 U.S. 574, 1983).

The Court dismissed the establishment argument by simply noting that religion is not advanced merely because the tax exemption regulation happens to coincide with the tenets of religions that espouse racial intermixing. Hence the preference argument was without substance.

