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*“Our hearts are filled with the same wonder, gratitude, and joy that led the psalmist of old to ask, ‘When I consider Thy heavens, the work of Thy fingers, the moon and the stars, which Thou hast ordained; What is man, that Thou art mindful of him? And the son of man, that Thou visitest him?’ . . . Our words and deeds, when guided by the example of Christ’s life, can help others share in the joy of man’s Redemption. . . . Let us recall what our Savior’s life means to the world.”*

**President George H.W. Bush**

*from his [Message on the Observance of Christmas, 1989](#)*

**Congressional Action to Remove New Taxation on Churches**

Several members of Congress are working to ensure that a burdensome new tax on churches is lifted before the start of the new year. At issue is an [IRS provision](#) established in the Tax Cuts and Jobs Act, which would require tax exempt organizations to start paying unrelated business income tax (UBIT) on parking and transit benefits that are provided for their employees. The provision, Section 512(a)(7), imposes a 21% tax on employee benefits such as parking provided by nonprofit organizations, causing churches and other tax exempt organizations to have to file Form 990-T with the IRS. This troublesome issue was highlighted at the AACCS National Legislative Conference last September, and conference attendees lobbied against the provision, urging members of Congress to support the [LIFT for Charities Act](#) which would repeal the harmful policy. The AACCS also joined a [coalition letter](#) last month to the Chairmen and Ranking Members of the House Ways and Means Committee and the Senate Finance Committee, urging them to repeal Section 512(a)(7) “through any appropriate legislative package before the end of this calendar year.” Last week, the Rules Committee in the U.S. House of Representatives adopted a manager’s amendment, offered by the Chairman of the House Ways and Means Committee, Representative Kevin Brady (TX), which would effectively eliminate the new tax requirement. While this bill works its way through Congress, Rep. Brady has signaled his commitment to ensure the tax policy is repealed. Also last week in the U.S. Senate, Republican Senator Lankford (OK) joined Democrat Senator Coons (DE) in [sending a letter](#) to Secretary of the Treasury Steven Mnuchin asking for a one-year delay on the implementation of the new rule. The letter emphasizes the financial and administrative burden that the new tax will be to churches and other nonprofit organizations that are serving the public good. Additionally, the Senators point out that the interim guidance which was issued in the fall of 2018 regarding this new tax only created many unanswered questions for nonprofit and charitable organizations, adding to the difficulty of compliance.

**Proposed Regulations Released for Title IX**

The U.S. Department of Education released a [proposal](#) for new regulations under Title IX, the law which prohibits sex discrimination in activities and events at publicly funded schools. The proposed regulation deals specifically with sexual assault and seeks to clarify the legal responsibility of schools in handling sexual assault and harassment claims and thereby ensuring due process exists for all students. Secretary of Education Betsy DeVos [stated](#), “Every survivor of sexual violence must be taken seriously, and every student accused of sexual

misconduct must know that guilt is not predetermined. We can, and must, condemn sexual violence and punish those who perpetrate it, while ensuring a fair grievance process. Those are not mutually exclusive ideas.” Also noteworthy for faith-based schools, the new rule clarifies that religious institutions will no longer need to submit a written request to claim the Title IX religious exemption. Under the Obama administration, schools seeking to claim the exemption [were required](#) to submit a written request and were then placed on a public “shame list.” The proposed rule has received [mixed reviews](#), with Democrats charging that it makes the process more difficult and intimidating for sexual assault victims, while Republicans praise the rule for offering much needed clarity that will provide more protection to all students and their rights. The regulations are open for public comment until January 28, 2019.

### **The Case That Could Overturn *Roe v. Wade***

The Supreme Court may soon [review a case](#) that could change or overturn the infamous *Roe v. Wade* decision of 1973. The case concerns a 2016 Indiana law, signed by former governor Mike Pence, which prohibited abortions that were based on an unborn baby’s race, color, sex, national origin, ancestry, or diagnosed disability such as Down Syndrome. Following a suit by Planned Parenthood, a federal judge and a three-judge panel of the [Seventh Circuit Court of Appeals](#) decided that the Indiana law was unconstitutional, for “the non-discrimination provisions clearly violate well-established Supreme Court precedent” that abortion is a fundamental right. Challenging this decision is a group of organizations including the Southern Baptist Ethics and Religious Liberty Commission, National Association of Evangelicals, Concerned Women for America, National Legal Foundation, and Pacific Justice Institute. Their [brief](#) calls the Seventh Circuit’s decision “that the abortion right overrides all others” a “grievous error,” further stating that the case could give an opportunity “for considering whether *Roe* and *Casey* should be re-evaluated and overruled, in whole or in part.” If the Supreme Court decides to hear the case, the outcome would likely be unpredictable. During his confirmation hearing, [Justice Kavanaugh](#) declined to affirm or deny a woman’s right to an abortion, simply stating that a right to abortion “is an important precedent . . . that has been reaffirmed many times.”

### **In Case You Missed It:**

[Weekly Market Update](#) provided by Jeff Beach of the [AACS Investment Team at Merrill Lynch](#)

[The Christian Faith of George H.W. Bush](#)

[Remember Pearl Harbor in 2018](#)

[U.S. Abortion Rate Drops to Record Low Since \*Roe v. Wade\*, CDC Reports](#)