
JEHOVAH'S WITNESSES
AND THE TAXATION
OF DONATIONS IN FRANCE

October 4, 2004

Table of Contents

Introduction	3
The Facts	4
The Background	5
Precedent	6
Conclusion	7

Introduction

On October 5, 2004, the Court of Cassation, which is the highest court in France, will make public a decision in the case of *Association Les Témoins de Jéhovah v. Direction des Services Fiscaux*. At issue is the right of this registered association to receive and to record contributions from members and from spontaneous supporters, without those contributions subsequently being taxed.

Although the tax authorities expressly recognize the honest and non-profit nature of the *Association Les Témoins de Jéhovah* (ATJ) and could find no irregularities, they applied a tax law that is assessed at 60 percent of the value of the contributions. The amount involved in the controversy could exceed \$28 million (U.S.). This includes a 60% tax on contributions used to support a vast humanitarian relief effort to Rwanda in 1994.

As shown in this report, this taxation measure raises numerous objections relating to fundamental freedoms. It does not take into account the traditional practice of not taxing contributions made to not-for-profit associations.

The Facts

The Constitution of France provides for freedom of religion, and the government respects this right in practice. Strict antidiscrimination laws prohibit racially or religiously motivated attacks.

The government of France declares a commitment to secularism and does not keep statistics on religious affiliation.

In France, religious activities can be legally organized by creating associations provided for in a law dated July 1, 1901 (a general law regulating all associations whatever their purpose), or the law of December 9, 1905 (specifically designed for associations and buildings devoted exclusively to the practice of a religion).

The main religions in France (Catholicism, Islam, Protestantism and Judaism) use associations regulated according to the 1901 law or the 1905 law in order to organize their activities. Under certain conditions, religious associations are granted certain tax advantages, such as exemption from property tax on buildings used for worship and from tax on bequests. Until now, none of the associations used by the main religions in France have been subjected to a tax on contributions.

Some 250,000 persons attend the services of Jehovah's Witnesses. They meet in 1,000 places of worship, which have been granted tax-free status by the authorities in France. However, the religious contributions made to the national association *Association Les Témoins de Jéhovah* are being taxed. This situation is without parallel in France.

The Background

This taxation issue first arose after the 1996 Parliamentary Commission on Sects included Jehovah's Witnesses on their list of 173 cults. Although this parliamentary report does not have any legal value, cult-watch groups have extensively misused it in their fight against what they label "dangerous cults."

The Commission made a general recommendation for tax authorities to harass minority religions that were on the list by means of tax audits. A tax audit was subsequently initiated against the *Association Les Témoins de Jéhovah* (ATJ).

Although the tax authorities expressly recognized the honest and non-profit nature of ATJ and could find no irregularities, they applied a tax law Article 757-2 from the France Tax Code, against ATJ and claimed back taxes for four years (1993-1996) on donations received by the association.

In order to calculate the amount, the tax authorities created a nominative list indicating the religious affiliation of all those who had made donations. Such a list is in contravention of privacy regulations and raises questions in connection with fundamental civil liberties.

The tax was assessed at 60 percent of the value of the donation. This is the first time that a religion in France has had its religious offerings taxed, thus depriving it of the means of carrying out its worship. Consequently, for the first time in their 100-year history in France, Jehovah's Witnesses have been subjected to a tax on individual contributions.

Jehovah's Witnesses took the matter to court. The Court of Nanterre dismissed the action on July 4, 2000, and affirmed the tax assessment on Jehovah's Witnesses. The Court of Appeal at Versailles upheld the lower court's decision on February 28, 2002, requiring Jehovah's Witnesses to pay. On May 13, 2003, Jehovah's Witnesses were officially "notified" of the court decision, and on June 23, 2003, Jehovah's Witnesses introduced their case before the Court of Cassation. On July 7, 2004, the Court of Cassation heard oral arguments by both parties.

Since 1996, several administrative courts in France have judged that the parliamentary report on sects had no legal basis or value. Nevertheless, the tax authorities have used the 1996 parliamentary report to justify investigating and taxing voluntary contributions made by Jehovah's Witnesses.

Charitable and other nonprofit associations are deeply concerned by these rulings, which have been severely criticized in more than 34 articles published in reputed legal and fiscal journals in France. Commentaries by legal experts have consistently challenged the position taken by the courts.

*"The ruling by the Nanterre Court
is highly questionable."*
—Bulletin des Associations et des
Fondations, Éditions Francis Lefebvre,
March 2002.

Jehovah's Witnesses and Taxes

Jehovah's Witnesses are an internationally recognized Christian religion. They base their beliefs on the Bible. When Jesus Christ was questioned about paying taxes, he told his listeners: "Pay back Caesar's things to Caesar, but God's things to God." (Mark 12:17) In their publications, public meetings and home Bible instruction, Jehovah's Witnesses encourage all to be prompt and honest in paying any taxes owed to a duly constituted authority. (Matthew 22:17-21; Romans 13:7) Over the last hundred years, Jehovah's Witnesses have earned a reputation worldwide for being honest in reporting their income and punctual in paying whatever taxes are legally imposed by the governments.

In teaching their neighbors about the Bible, Jehovah's Witnesses encourage them to adopt this Scriptural viewpoint on paying taxes and being honest and good citizens.

As a whole, Jehovah's Witnesses enjoy a good reputation worldwide as being honest, taxpaying citizens. For instance, the Spanish newspaper *El Diario Vasco* commented on widespread tax evasion in Spain, but noted: "The only exception [is] Jehovah's Witnesses. When they buy or sell, the [property] value they declare is the absolute truth." Similarly, the U.S. newspaper *San Francisco Examiner* remarked some years ago: "You might regard [Jehovah's Witnesses] as model citizens. They pay taxes diligently, tend the sick, battle illiteracy."

Conclusion

Since the principles of fairness and nondiscrimination are basic human rights, in the matter of taxes Jehovah's Witnesses seek only to be treated like any other internationally known Christian religion.