

Assessment and Charges Ordinance 1975 Amendment Ordinance 2000

Explanatory Statement

Introduction

1. This bill is to clarify that moneys received by or on behalf of the churchwardens of a parochial unit that are “parishioner-designated” donations to either Anglican or non-Anglican Christian organisations are allowable deductions from gross receipts of the parochial unit for assessment purposes.

2. The Assessment and Charges Ordinance 1975 (formerly the Assessment Authorisation Ordinance 1975) is printed on pages 112 to 122 of the *Acts & Ordinances*.

Allowable Deductions

3. The allowable deductions from the gross receipts of a parochial unit for assessment purposes are listed under clause 4 of the Assessment and Charges Ordinance 1975. Clause 4(d) of this ordinance states that allowable deductions includes -

“Amounts paid to missionary bodies and other extra parochial bodies.”.

4. The terms “missionary bodies” and “other extra-parochial bodies” are not defined in the ordinance. In a series of determinations the Chancellor has ruled that the terms “missionary bodies” and “other extra-parochial bodies” referred to in clause 4(d) are limited to Anglican bodies.

5. What these determinations do not allow for is that “parishioner-designated” donations, for example through the missionary side of the envelope that many if not most of our parishes use, are not necessarily allowable deductions, unless the designated body is a definitively Anglican organisation.

6. These “parishioner-designated” donations are received on trust by the churchwardens of a parochial unit and subsequently passed onto the relevant organisation. However, if the designated recipient body is not strictly Anglican (and many of them are not), the donation generates an assessment liability for the parochial unit. This has been the cause of angst among many parishes who have simply acted as a conduit of funds only for the “parishioner-designated” donation to be assessed one or several years later.

“Parish-designated” donations to non-Anglican bodies still non-deductible

7. The bill does not alter the Chancellor’s determinations that “parish-designated” donations to non-Anglican bodies are not allowable as deductions from gross receipts. Any change to that

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principle could be part of a wider review of the Assessment and Charges Ordinance 1975.

Recommendation

8. Standing Committee recommends that the Synod pass the bill as an ordinance.

For and on behalf of the Standing Committee

LAURIE SCANDRETT

12 August 1999