

Don't Let the Green Grass Fool You!

09-Nov-2009

Dear Stefan,

Your letter, quoted in the middle of this E-mail, inquired as to charitable deductibility for Canadian, MSA tithe payers. We spoke to this issue by phone several weeks ago, and I promised to give it some study. To answer your issue, I must diverge from my normal writing style so as to discuss and define accounting concepts, legal issues, and —the field of my normal calling and expertise— Bible doctrine for today's saints in the time of the *Judgment of the Living*. It is only befitting that our high calling as Kingdom leaders requires us to deploy this integrated and multi-faceted quality of analysis in our efforts to define good and evil.

Apparently and understandably, the country of Canada does not honor with tax-exemption allowances the contributions by its citizens to American religious charities. [**Definition: tax exemption/tax credit: the softening, lessening, or removal of an obligation to pay tax**] Coupled with this fact, you also appraised me of the tax-exempt standard with which the brethren have formerly enjoyed with the *Davidian Seventh-day Adventist Association* (DSDA) headquartered at Bashan. To quote you as carefully as possible, you said the Bashan Davidian headquarters, the former religious charity to whom most of the group donated, had established a charitable front controlled by a Canadian citizen located in that country who was also a Bashan-Davidian adherent. That person, so as to circumvent Canadian law and accommodate the tax-liability needs of DSDA, Canadian believers, would accept your tithe addressed to them in Canada and then forward it to Bashan.

To address this issue thoroughly so that all can benefit from my counsel, I must first give a short and highly generalized lesson in individual, taxation principles under which American citizens abide. The commitment to religious freedom as legislated in the British Commonwealth to which Canada is a member is not clear to me; however, America is the first to constitutionally install the principle of *freedom of religion* as an individual right; thus, she leads the world in this concept and her model is one that can become a pattern of highest pedigree. This should give to all, regardless of their country of citizenship, an appreciation for how the Lord expects for us to abide financially within the laws under which we live as we pay our tithe. Let us use the example of an individual who earns, annually, an income of \$40,000. They earn that amount before taxes, and their country requires a national tax rate of 30 percent. Let us also assume that our hypothetical tithing taxpayer has three children and has a home which is being financed by the terms of a mortgage loan. In the United States, we pay our taxes each year on April 15th. And, bear in mind, the taxing policies in America are much more complex than this generalized and simplistic example. To begin to explain, at the year's end, the tax payer lists all of his or her income, and then, the federal government gives allowance for certain deductions, tax exemptions, from that income to determine a net basis and to determine the total tax liability. Consider the following example:

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<u>TAX STATUS FOR "PERSON A"</u>		
GROSS INCOME (BEFORE TAXES):		\$ 40,000.00
EMPLOYER WITHHOLDINGS FROM PAY @ 30%:	(12,000.00)	
ANNUAL/FEDERAL TAX DUE & PAYABLE:		(12,000.00)
NET INCOME (WITHOUT DEDUCTIONS):		\$ 28,000.00

DEDUCTIONS FROM INCOME	NET INCOME	DEDUCTION	GROSS INCOME
	\$ 28,000.00		\$ 40,000.00
AMOUNT:			
Charitable Contributions/Tithe:	.10 x Net Income	(2800.00)	
Three Dependent Children:	3 x \$1000.00	(3000.00)	
Educational Expense:	3 x \$1000.00/child	(3000.00)	
State & Local Taxes:		(2000.00)	
Mortgage Interest Expense:		(6000.00)	
TOTAL DED/EXEMPTIONS:		(16800.00)	(16,800.00)
NET TAXABLE INCOME:			\$ 23,200.00
TAXES DUE:	30% of 23200.00		\$ 6960.00
TAX WITHHELD:	30% of \$40000.00		(12,000.00)
OVER PAYMENT OF TAXES:	REFUND DUE		\$ (5040.00)
TITHE ON REFUND:			504.00

In our hypothetical example, Person A has a taxable liability to Caesar (USA or Canada) reduced from \$ 12,000 to \$ 6,960.00. It appears that he is greatly blessed; however, this is "green grass", and as told in our kindergarten nursery rhymes, it can fool you. To preclude the strife which comes with green grass, God's counselor, by the impress of inspiration must be required to assess even

The Validity of a True Blessing~~~~~Each month at payday, assuming that he was not self-employed, he had 30% of his gross pay withheld forcing him to pay a monthly tithe on the net balance, aka, take-home pay. Because the amount of his total tax liability is reduced

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by tax credits which Caesar generously allows, he reaps this blessing of a tax refund from the government every year. When he receives his refund, he should recognize the tax refund of \$5.4K to be a part of his increase and tithe that amount to the storehouse as well. But has he really received a blessing? One who is self employed, Person B, and who does not have an employer discounting his pay must instead account for his tax based upon the gross amount. Remember, everyone's circumstances is different. This difference yields different taxing standards which are sometimes unwisely perceived as different levels of equity and fairness. Such a self-employed individual does not receive a refund check from the government each year; however, all other considerations being equal with person A, he still only pays the same amount in taxes, \$6,960.00. To the uneducated, it may appear that Person B who receives no refund is living at a disadvantage; yet, this disadvantage—as is the case with many perceived tax disadvantages—is only due to the observer's ignorance or careless analysis. He suffers from an inability to choose the good and refuse the evil; he cannot discern a true blessing. To avoid this, all should examine from this accounting example

The Spiritual Lesson~~~~~As stated earlier, taxing policies, when done benevolently to lighten the burdens upon the populous, become very complex. The simplest formula, that which we think was used by the ancient Romans during the days of the Pharisees, was that each house must pay a pre-specified amount regardless of tithe, mortgages, children, etc. Under that burden, the Pharisees faithfully paid their tithe. We are commanded that our righteousness should exceed theirs as a standard of Kingdom entry. Today, we are blessed with the benevolence of a Christian Government; yet, many find occasion to underestimate the value and enormity of their blessings. Resultantly, great care needs to be exercised just to determine this grace from the government's side—and more than that, the greater and more bountiful provisions from the spiritual ledger. With the government's blessing, a noxious, spiritual hazard is cultivated to blossom against which all need to vigilantly stand guard: All must guard against the allurements of using, as an added incentive from the government, a potential tax credit as their encouragement to pay tithe. Your love for God, the Bible, and its light must be your driving motivation; the US-Government's concern, ostensibly, is to merely preserve religious freedom as they define it, and the concern of your letter is that not everyone who devotes themselves to the MSA can receive a credit for tithing from the government. Notwithstanding, in all cases the Lord requires that we become cheerful givers. Using my own experience as an example, early on, perhaps from the time of 1992 to 2007, the time when the MSC produced all of its books, it only had three additional sources of tithe, my parents, my brother, and our very-own tithe. This was the case until 2006. We were by far the largest contributors. Yet, neither we, nor any of the others could deduct our tithe as a charitable contribution for this was a time before the MSA received federal, 501c3, tax-exempt status. During much of that time, a time when Vinnette and I had employment from secular employers (I resigned from my employer in 01/2005 and Vinnette still works for hers), we paid tithe in the amount—going by memory—that ranged from \$6K to \$10K per year. Yet, because we had no tax-exempt status, we could not deduct that amount from our gross income to yield a larger refund. Our entire refund was based upon 1) our four children (six exemptions), 2) our mortgage-interest expense, 3) our local taxes, 4) perhaps others that I cannot now recall. To the carnal mind, this would have been a financial drain because, beforehand, we paid tithe to Bashan and we were used to enjoying the correspondingly larger, tax-refund benefits.

During those years and even now, God enhanced our vision and enlightened us to see the added blessings that we had received from Him—especially the blessing of our brighter light—and that intangible grace, in spite of our solitude in the Adventist world, kept the joy in our work and the song of praise in our hearts. This was a time when I worked nearly around the clock. In addition to the nine hours, five days a week, devoted to my employer, and with the help of Vinnette who also had a full-time, out-of-the-home job (still does!), I home schooled our children, I extensively remodeled our home, and most importantly, I wrote the various books which the MSC has published. It is far removed from the tactics necessary to receive heavenly credit for some to suffer

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under a self-imposed and disparaging cloud of darkness as they fail to celebrate the enormous bounty which has connected them to the final work of salvation. Forget about Caesar! —will Christ give to them an exemption because of their spiritual myopia, the self-inflicted blindness which has smitten them with ingratitude? By God's grace He will restore their vision: He has commissioned this angel, the MSA, just as promised by EGW, to "waft away" the darkness and to re-secure them into the joy of the light.

"Evil angels crowded around them, pressing their darkness upon them, to shut out Jesus from their view, that their eyes might be drawn to the darkness that surrounded them, and they distrust God and next murmur against Him. Their only safety was in keeping their eyes directed upward. Angels of God had charge over His people, and as the poisonous atmosphere from the evil angels was pressed around these anxious ones, the heavenly angels were continually wafting their wings over them, to scatter the thick darkness."

"Some, I saw, did not participate in this work of agonizing and pleading (sighing and crying). They seemed indifferent and careless. They were not resisting the darkness around them, and it shut them in like a thick cloud. The angels of God left these, and I saw them hastening to the assistance of those who were struggling with all their energies to resist the evil angels, and trying to help themselves by calling upon God with perseverance. But the angels left those who made no effort to help themselves, and I lost sight of them. As the praying ones continued their earnest cries, a ray of light from Jesus would at times come to them, to encourage their hearts, and light up their countenances."

"I asked the meaning of the shaking I had seen, and was shown that it would be caused by the straight testimony called forth by the counsel of the True Witness to the Laodiceans. This will have its effect upon the heart of the receiver, and will lead him to exalt the standard and pour forth the straight truth. Some will not bear this straight testimony. They will rise up against it, and this will cause a shaking among God's people."

"The testimony of the True Witness has not been half heeded. The solemn testimony upon which the destiny of the church hangs has been lightly esteemed, if not entirely disregarded. This testimony must work deep repentance, and all that truly receive it will obey it and be purified." —

EGW, *Testimony for the Church*, Vol 1, page 180, 181, See *IShepherd's Rod*, p. 27: VTH commands that we read the entire page explaining italicization.

Today, it is hard to imagine that for some individuals, their dark cloud stems from the fact that they calculate the benefits to be gained in paying tithe merely by examining its tax-write-off potential, and their calculations manifest that God owes them some credit. The advancement to the Lord's Kingdom must not be made commensurate to the financial strategies adopted in our secular pursuits: Some use the purchase of a house to reduce their tax burden; some, I am told, even schedule childbirth with that motivation in mind. Many educate their children also with a zeal to secure a tax advantage. It is understandable to assuage the pangs of paying local taxes by finding solace in the promise of a future, federal tax credit, etc. Securing a tax write-off has become an overriding drive in the secular world today. The crime comes because we have thoughtlessly proceeded with that strange fire as we sought to also sacrifice on the altar of Bethel. As a secular financial orientation, these tactics may be acceptable even though some may seem to be eccentric, but should not the Lord's disciples now be able to separate the holy from the unholy, the pure from the profane? For any today to harbor such an approach to tithe manifest that they have missed the spiritual blessing of its store-house-blazing light. The commendation, "well done" cannot be lauded to those who have alleviated their Kingdom climb entirely by use of the unreliable and inconsistent staff of government-connected, financially-oriented graces. Again, yesterday's tithe-paying Pharisees, our model of faithfulness beyond which we are commanded to exceed, certainly had no such incentive from the Romans! The danger of depending upon government incentives will be manifested in its imposition of overly burdensome government controls: This is the noxious spiritual hazard alluded to above; this is part of the Assyrian trap. Added to this warning is another: We should not become enmeshed in covetousness; to do so violates the 10th commandment and, along with the other nine laws to be sealed within us and bound by the Lord's testimony, time has come to give special attention to it. None should find themselves measuring the sacrifices and the blessings received by others who have different, impossible-to-compare circumstances. Instead of closely monitoring the tithing sacrifices, or lack thereof, made by others and instead of rehashing

past experience with the purveyors of lesser lights in order to gauge the equity involved in their practice of giving, instead of this mind-set, all should focus upon the benefit received by their association with the MSA, the offer of Kingdom entry. The All-Wise God will balance our reward by measuring the burden of our giving, and should He deem our sacrifice to be greater than the sacrifice of others, or greater than the call of duty extended to others, then our blessing will be likewise commensurately greater. In final analysis, is not this lesson made perfect by the experience of Jerusalem paying double for her sins? Her burden was heavier, and her reward will be balanced accordingly. This aspect of Father's ledger-balancing wisdom is the spiritual lesson now to be mastered.

To underscore this lesson from a different perspective, we must now venture back to

The Question of Equity~~~~~Please explain to the inquiring brethren that, not all, even in the USA, have the same financial structure; not all make the same sacrifices in the same way. To illustrate, a couple or a single person who faithfully pays tithe with the same above-stated salary, yet being elderly and retired, receives all their income from their retirement funds; thus, the IRS does not obligate them with any tax liability. This is so because it is common for the government—city, state, and federal—as it pertains to many retirement benefits, including Social Security and pension funds, to not tax their monthly benefits. Consequently, even though they receive all of their gross salary, still, all their giving must be done without any hope of a tax credit. Keeping most of their \$40K salary does not mitigate their dilemma because remember, the \$40K salary figure is hypothetical; in many actual cases their salary is much less. A large degree of the most devoted Davidians, being elderly, fall squarely into this category. They cannot ask the government to reduce their tax liability by considering their tithing expenditures to a charity when they are not even assessed a tax. That is just one illustration. What about those that do not have dependent children, no educational expenses, those who live in apartments and resultantly have no mortgage interest expense? To whom can they look to balance their Assyrian burden of taxation and make it seem to be equal? Beyond that, why should the Lord's *mustard seed* with its biblically-defined diminutive stature, be made to shoulder the mountainous burden created by the Assyrian in his zeal to protect religious freedom? Even more curious, why should any Davidian complain?—should not the freedom, itself, be a blessing worthy of great exuberance? Back to the issue of equity: Many tithers in the USA have very similar situations to the retired brethren: Consider one who indeed does make the hypothetical net salary of \$28K, reduced from a gross of \$40k, one who pays a faithful tithe of \$2.8K. He may live alone, and he may have no children; he may rent his home. For him, rather than itemizing, he may be required by Caesar to pay even more than \$12K in taxes. Worse still, with just a \$2.8k charitable deduction, he cannot even use it to receive any tax benefit simply because the IRS requires a total-deduction floor; you must have a combined total for all deductions that must exceed \$6K (approximately) before they allow you to claim any itemizations. Such a person is highly esteemed by heaven because he faithfully and cheerfully pays his tithe—he gives to both Caesar and to God—yet, when examining merely the pecuniary benefits appraised by Caesar, he seems to have received inequitable pasture; his grass does not seem to be as green. Allow me to belabor the point further by citing an MSA actual example. Approximately three years ago, a retired brother sold his house and therefrom gave a very generous, five-figure donation from the proceeds in tithe and offerings. This person, being retired, had a lower tax burden on his regular income—it was retirement income—and thus he did not owe taxes. There was little to no tax debt to be reduced by his charitable gift. If his giving were driven by the inducement to receive a credit from the government, then should he have been less inclined to give? To the contrary, he was glad to give, and sorry that he could not give more. Rather than the motive of a tax write-off, he was driven by the same excitement which motivated the wise men from the east: to bless the new-born Kingdom. Saints such as this are those who actually understand this work and who joy day and night in their privilege of participation. Canadian wise men can likewise bring their gifts of gold, frankincense, and myrrh with the same joy even though they are not rewarded for doing so by their

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government. I could give you other stories as well, but the spirit of brevity must temper my testimonies.

Hopefully, those who have expressed this concern to you can now understand the complexity of the problem, can thank you for shouldering their burden all the way to this desk, and can take the mote, the concept of equity regarding a tax write-off, from their eye so as to more clearly see the bright light and bountiful blessings of the Kingdom. In so doing, they will not seek to

Launder the Lord's Tithe~~~~~Also, I hope that, with this letter, they can now more greatly understand that the *mustard seed* is not expected to balance all of the intra-national and international, taxing equations under which each of its adherents live. The calculus equations of Scripture and the cross upon its shoulders which it must bear so as to deliver this light to the brethren is all the burden which the Lord has placed upon its shoulders. All other burdens must be borne by He who has the broader shoulders.

You wrote the following:

"The only reason for this letter is just to do a brief follow-up for two people in the group. One asked me a couple weeks ago, the other last week privately and then again in the group setting today. Their concerns are such: they wanted to know about setting up a tax exempt corporation up here to do with the tithes, etc. I know we talked about this before and you said you would look into it and so this is just a follow up to make their concerns noted before you. I let them know that you were aware of it and looking into it. Hopefully this does not add to much additional stress to you." — Your E-mail, Sunday, November 08, 2009 2:36 AM.

Do not worry about my stress; I am guaranteed that it will equal the amount to which I can bear. I do apologize that I have taken until now to reply. To remind all, the MSA is headquartered in Pittsburgh PA, USA, and it has established itself as a tax-exempt organization under the guidelines of the United States of America, the branch of the Internal Revenue Service (IRS) with Father's approval (Mark 12: 17). Working with them is a very legal and technical business requirement that the MSA appreciates, being an organization that is ordained to measure the principles of governance. However, it cannot take upon itself the burden of setting up a tax-exempt corporation in any other country as a circumvention to legal requirements that prevail. Mastering the intricacies of the IRS is a task that is very ominous, and I praise Father for preparing me for that work. Again, I point to EGW and her similar counsel:

"...Who hath delivered us from the power of darkness. If this is true, what excuse then have we for talking discouragement and unbelief and doubt--drawing darkness around us as a mantle?"

"If I should look at the dark clouds--the troubles and perplexities that come to me in my work--I should have time to do nothing else. But I know that there is light and glory beyond the clouds. By faith I reach through the darkness to the glory. At times I am called to pass through financial perplexities. But I do not worry about money. God takes care of my affairs. I do all that I can, and when the Lord sees that it is best for me to have money, He sends it to me."

"The more you talk faith, the more faith you will have. The more you dwell upon discouragement, talking to others about your trials and enlarging upon them, to enlist the sympathy which you crave, the more discouragements and trials you will have. Why mourn over that which you cannot avoid?" —EGW, *Heavenly Places*, 247.3, 4, 5

The MSA has not been called to become skilled in the nuances of international law. Its hands are now full with its own organization as currently established. This is the storehouse; this is place from which the strong-meat of present truth is to be distributed. To establish a Canadian straw man offends my sensibility and my respect for the enormous responsibilities of government. If Canada does not wish to honor the MSA as a charitable institution worthy to be patronized by her citizens, then she will answer to God as He so deems; I have no mission to circumvent her authority. Neither do I have authority to establish a Canadian storehouse. How can the MSA teach others the *Testimony of Jesus*, urging them the entry keys of the Kingdom by virtue of the law of tithing (Matt 23: 23), while it, at the same time, teaches them to circuitously divert their tithe to a Canadian storehouse so as to circumvent Canadian law?

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I understand that this is what Bashan has done based —not upon my own observation, but— upon our conversations pertaining to your past work with them. They have established a Canadian tax-exempt corporation, a front, to receive their tithing income so that its revenues can, in turn, be delivered to their American headquarters at Exeter Hill, Missouri, USA. In my judgment and based upon what you have told me, they teach their Canadian adherents to filter the Lord’s tithe through that alternate channel so as to do an “end around” of Canadian law. If this is true, they risk losing their entire bundle and their American assets as well. In fact, some with a keener legal training than I have, may define such activities as illegal money laundering, a tactic used by mobsters, drug dealers, and embezzlers as well as other outlaws. For this, they can guarantee that the devil will exploit their sophistry to his advantage. But for the MSA, it has had absolutely no input into Bashan’s financial strategies; it considers their leadership to be an ever-fading lighthouse, a relic of times past, who does not seek the Lord’s counsel and must therefore suffer the consequences. Yesterday, while under Jesus’ protectorate, such a financial strategy and a shell game with the Lord’s tithe may have still won the Lord’s protection. After all, they did not have the benefit of a faithful and wise counselor, the benefit of his judgment, and the Lord needed to protect them in their ignorance. But today, the skill of government has been cozily nestled into our midst, and greater judgment prevails. Yet, I cannot help but to wonder, to secure the Lord’s tithing in other countries, how would they have circumvented the laws of the former Soviet Union, or communist China? Would they have established their very own tithe-collecting spy network!? It is no wonder that governments seem to be at odds with religious organizations. Suffice it to say that the Governments of Canada, of the USA, of Russia, and of China, are all now bigger than is the Lord’s *mustard seed*. This is no cause for alarm because the Lord said, **“My Father...is greater than all and no man is able to pluck them out of my Father’s hand”** —John 10: 29. Therefore —just as EGW stated above— if the Almighty desires to fund His Kingdom, then He will have to continue to do as He has done for the MSA and garner the tithe income that He requires to be delivered to the storehouse, and He will do so by His power and through His channels. Christ’s **“yoke is easy and His burden is light”** —Matt 11: 30. Resultantly, the MSA does not seek to winnow away, by subterfuge or sophistry the Lord’s tithe and offerings which, He Himself, can, in a more mighty way, secure into His house.

The bottom line is simple: Before any should even consider alternate means to pay their tithe to unauthenticated destinations so as to circumvent established laws, one must first dispel the need to do so in order to win a government incentive to honor God. Second, they must take greater pains to count their own blessings. Also, they must not covet or envy the blessings, the “green grass” upon which their companion goats, on the far distant hills, seem to, with great relish, be feasting. Finally, they must more highly appraise the blessings, the high and lush hill upon which the Lord has established them. When trouble comes to the Davidian enemies of heaven, then this counsel will be more greatly understood and appraised. Then their green grass will not be so deceptively alluring and desirable. Thus, a word to the wise is sufficient: don’t let the green grass fool you.

Sincerely,

Derek