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TAXES AND SOVEREIGNTY

by Gary North

A model law subjecting church property to taxation is on the books in most states in the United States. It has been quietly passed by legislatures, and it has received little or no attention from the press or the churches. It was put on the books in California, then altered. Churches were about to be auctioned off in June of 1983 to pay the taxes supposedly owed during the interim period when the law was in force, but the governor moved in and called a halt a few days before the auctions were to begin. Texas also has such a law on the books. Other counties around the nation are waiting for the political go-ahead signal.

By taxing churches, states and counties are thereby declaring that the Church is under the jurisdiction of the civil government. Furthermore, the State now asserts its power to destroy the churches, for "the power to tax involves the power to destroy," as Supreme Court Chief Justice John Marshall declared in the landmark case of 1819, *M'Culloch v. Maryland*. In that case, the Court declared unconstitutional a law "permitting a state to levy a tax on banknotes issued by banks not chartered by the state. The bank in question had been chartered by the Federal government, but not by the state. The constitutional battle was a battle over sovereignty. Two governments—a state government and the Federal government—were in conflict. Marshall's words are significant. The principle of governmental sovereignty was the issue.

... That the power to tax revolves the power to destroy; that the power to destroy may defeat and render useless the power to create, that there is a plain repugnance in conferring on one government a power to control the constitutional measures of another, which other, with respect to those very measures, is declared to be supreme over that which exerts the control, are propositions not to be denied. The question is, in truth, a question of supremacy; and if the right of the States to tax the means employed by the general government be conceded, the declaration that the constitution, and the laws made in pursuance thereof, shall be the supreme law of the land, is empty and unmeaning declamation.

The question today is this: Is one or another civil government the only kind of government allowed to claim definitive sovereignty? Is the church, as the body of Jesus Christ, not also entitled in the eyes of God to earthly institutional sovereignty equal to that of any civil government? While the courts of the civil governments may not today recognize such sovereignty on the part of Christ's churches, does this

deny its existence? Should the officers of the various churches act as though the State's claim is valid, as if the State has the right before God to impose taxes on the church, thereby acquiescing to the State's claim that it possesses sovereignty superior to that of the church? If the State declares that it has incorporated the churches and therefore has legitimate sovereignty over the churches, should the churches remain incorporated? Have they the moral obligation before God to admit that previous church officers were remiss in appealing to the state for a charter? Should they not de-incorporate and begin anew as sovereign agents under God rather than under some civil government?

This is no idle speculation. Pastor Everett Sileven's struggle against the State of Nebraska should be familiar to all readers of *Tentmakers*. During one of his confrontations with a judge who was previously handling the case, the judge asked him why he was refusing to allow the state to certify his school. Sileven answered that it was an unlawful infringement on the sovereignty of the church. The judge asked: "Is your church incorporated?" Sileven answered that it was "Then what is your objection to state control?", the judge asked. "You've already admitted that the state created your organization. How can you say that the state doesn't have the right to regulate it?"

Even more startling is the response of one state legislator to Sileven's assertion that the children enrolled in his school were under the jurisdiction of their parents, not the state. The legislator asked him: "Did you get a marriage license when you got married?" Sileven answered yes. "Then your family is the creation of the state, and children born into your family are the property of the state. We can tell you where to educate them and how." The man didn't say this publicly, but it is the direction in which the radical statist are headed. Pastors who remain blissfully unaware of what is happening in this nation are setting up their congregations for a slaughter.

The Question of Sovereignty

The question of sovereignty, civil government vs. church government, has confronted Christians in every major period of Western history, but especially during periods of rapid political change. It was Christ vs. Caesar in the early church, the Pope vs. the Emperor in the middle ages (1075-1150), the Roman Church vs. the princes in Luther's day, and the British Parliament and the Anglican Church vs. both the independent and established state churches in the American colonies in 1775.

Few Americans are aware that it was not even legal for American colonists to print Bibles in the colonies, this was a monopoly granted to British printers, most notably Oxford and Cambridge Universities. The restriction applied only to

unannotated versions of the King James Bible, but that was sufficient. The annotated ones were too elaborate and expensive to print in the colonies. Prior to the American Revolution, the only Bibles ever legally printed in the colonies—one may have been produced illegally in Boston in 1750—were John Eliot's 1663 translation into the Algonquin Indian language and a mid-eighteenth century German-language Bible. During the Revolutionary War, Bibles became extremely scarce. One of the "acts of rebellion" by the Continental Congress in 1781 was to authorize the printing of the Bible. Robert Aitken printed 10,000 copies at his own expense the next year.

There can be no escape from the question of sovereignty. Few evangelical church leaders in the West's industrial nations recognize the nature of the confrontation, but those in Marxist and Islamic nations do. The intellectual and religious battles between humanists and Christians have heated up only in recent years. High-risk confrontations have been limited in number. The publicized battles generally have been confined to a barrage of words. It is not surprising to learn that Norman Lear's People for the American Way organization, dedicated to battling Jerry Falwell's Moral Majority, turns out to be heavily funded by Hugh Hefner's Playboy Foundation. (I can see the headline now: "Norman Lear.") But the looming battles have higher stakes than winning debate points. Families and churches are literally coming under attack.

The attacks should not surprise Christians. The battle over sovereignty has been going on since the temptation of Adam. It was the issue which confronted Job. Not until he understood its implications was he restored to his former condition of prosperity.

And the Lord said unto Satan, Hast thou considered my servant Job, that there is none like him in the earth, a perfect and an upright man, one that feareth God, and escheweth evil? Then Satan answered the Lord, and said, Doth Job fear God for naught? Hast thou not made an hedge about him, and about his house, and about all that he hath on every side? Thou hast blessed the work of his hands, and his substance is increased in the land. But put forth three hand now, and touch all that he hath, and he will curse thee to thy face (Job 1:8-11).

The Bible is a book about warfare. The warfare began in the garden of Eden, and it will not end until the final judgment. The essence of this warfare is **ethical**: Who will be cursed by a man, God or Satan? Who will be praised by the works of a man's hands, God or Satan? Who will stand firm for God ethically, in order to march forward dominically? This confrontation involves every aspect of life, for the whole world is at stake. There is no neutral territory. God claims total sovereignty over the whole creation, and so does Satan, although it is basic to Satan's strategy to give **rebellious** man the impression that Satan is standing for multiple sovereignty, and therefore standing up for man. But the heart of his confrontation is to demonstrate that God does not possess the total sovereignty that God, as Creator, unquestionably claims to possess. If God does not possess total sovereignty, then He is not what He says He is, and therefore Satan, as the most beautiful and powerful of created beings, has sovereignty transferred to himself.

This battle over sovereignty revolves two kingdoms,

Gods and Satan's. Whose troops will be victorious on the battlefield? There is no "Switzerland" in this warfare. no "King's X." Two commanders are marshalling their forces continually. The armies are real armies, and they operate as armies: they have skirmishes, they send in spies, they use deception, they make plans for major battles, they use psychological warfare techniques, they devote resources to buy equipment, they have "rest and recreation" centers, they have medical teams, they have specialized commando units, they have established territories under their jurisdiction, and from time to time in history, they launch major strategic campaigns against each other.

The confrontation between Moses and Pharaoh was an archetype of the nature of the warfare. Neither side would give in to the other. The honor of Pharaoh and Egypt's gods was at stake, so was the honor of Jehovah. Here was a major confrontation, and it was marked by a series of escalating engagements. It ended in the death of Egypt's firstborn and the total victory of the Hebrews over their enemies. Pharaoh possessed earthly power and continued to exploit God's people. He made life increasingly miserable on them. They were weak, and they blamed Moses for their pains, not Pharaoh (Ex. 5:20-23). They continued to blame him in the wilderness. They were blaming God through Moses (Num. 14:27).

Conclusion

It is sad but true that the vast majority of even Bible-believing pastors in this country still cannot see the handwriting on the wall. They do not recognize the struggle over sovereignty between a messianic State and the church of Jesus Christ. They refuse to acknowledge that the State is today the sworn enemy of all rival sovereignties. Like Rome of the Caesars, today's State grants licenses to those agencies that conform to the general principle of the overarching sovereignty of the State.

Pastors seek to incorporate their churches, or leave them incorporated. (The Commonwealth of Virginia does not allow churches to be incorporated, which is why churches in Virginia are on far safer legal ground today.) Churches apply for tax-exemption numbers from the Internal Revenue Service, thereby identifying themselves, and getting plugged into the I.R.S. computer. This, despite the fact that churches are **automatically tax exempt** according to Federal law, and more to the point, **tax-immune** in the eyes of God. In seeking a tax-exemption number, the churches' officers thereby implicitly acknowledge the sovereignty of the State over the church. In doing so, they have abandoned their commitment to a fundamental principle, namely, that **the church of Jesus Christ operates solely under the absolute sovereignty of Jesus Christ.**

When church leaders in Nazi Germany and the Soviet Union failed to recognize this principle, they sold out their churches' future. The impotence of the officially recognized churches in the Soviet Union and China is a testimony to the institutional costs of such capitulation. The issue is **Christ vs. Caesar**, and as the humanists become increasingly threatened by a new generation of Christians who recognize the **theological nature of the conflict over sovereignty**, they will put **pressure on churches to cover up the conflict and smooth over the differences.** Those churches that refuse to compromise are likely to find the wrath of the State on their heads. A similar political-theological "fire" burred the dross out of the early church, and it will do the same for the modern church.