Your Right to Minister Free.

What 508(c)(1)(a) Is, How It Works, and How to Build Your Ministry on Solid Legal and Spiritual Ground

Farmstead Health Fellowship

Faith. Knowledge. Freedom.

THE FOUNDATION

The government taxes people. It does not tax churches.

That has been true since the founding of this country. It is written into federal law and protected by the First Amendment to the Constitution. Most Americans have never been told they can access it.

Right now, as an individual, you pay taxes on everything — income, property, vehicles. When you die the government takes another cut of what you leave behind.

A legitimately formed church or religious trust works differently. And you have every right to form one.

Three things 508(c)(1)(a) gives you:

Automatic tax exemption — no IRS application, no approval, no determination letter required.

First Amendment constitutional protection that no corporation, LLC, or standard trust can access.

Your choice of structure — church body or religious trust — both fully recognized by the IRS.

UNDERSTANDING YOUR RIGHTS

You are not being shady. You are being smart.

This is the thing most people never hear so let it land clearly.

Our own country operates on the concept of a church. The United States was founded by people fleeing religious and governmental oppression. The founders built faith-based protections directly into the Constitution because they understood that the right to organize around belief — and to do so free from government taxation and interference — is fundamental to human liberty.

The tax exemption for churches is not a trick. It is not a scheme. It has been in federal law since 1913. Congress put it there. The courts have upheld it for over a century. It exists because a free people have the right to organize their faith, their resources, and their community around their beliefs without the government taking a cut.

You are not exploiting a loophole. You are using exactly what the law was designed to provide.

What qualifies as a faith-based organization?

You need a name for your church or trust.

You need a mission — a purpose rooted in faith that serves others.

You need two people who share that mission and believe in it.

That is it. Two people, a name, and a genuine purpose. You are already a faith community.

The IRS does not require a building. It does not require a denomination. It does not require a hierarchy of authority above you. It requires that your organization operates for genuine religious purposes and that you document what you do. That is the whole standard.

WHAT THE LAW ACTUALLY SAYS

Section 508(c)(1)(a) of the Internal Revenue Code

"Churches are not required to apply for recognition of tax exempt status. They are exempt by operation of law."

Internal Revenue Code § 508(c)(1)(a)

This is not an opinion. It is not a loophole. It is the statute as written by Congress and it has been in federal law your entire life.

What this means in plain language:

- No IRS application required to exist as a tax exempt church or religious trust
- No Form 990 filed annually — complete financial privacy
- No public disclosure of church income or operations
- No waiting period, no approval letter — exempt from day one

- First Amendment protection that no other legal structure can claim

TWO PATHS — SAME PROTECTION

508(c)(1)(a) Church · 508(c)(1)(a) Religious Trust

Both are recognized by the IRS. Both are formed as legal entities. Both receive the same automatic tax exemption. The choice between them depends on your ministry's needs and your state's requirements.

Feature	508(c)(1)(a) Church	508(c)(1)(a) Religious Trust
Legal structure	Church body	Declaration of Trust
Governance	Two or more believers	Trustee-based
Tax exemption	Automatic — no application	Automatic — no application
Form 990 required	No	No
First Amendment	Protected	Protected
Housing allowance	Yes — IRC § 107	Yes — IRC § 107
Political speech	Broader than 501(c)(3)	Broader than 501(c)(3)
Property tax	Exempt all 50 states	Exempt all 50 states
Can hold an LLC	Yes, if LLC serves the ministry	Yes, if LLC serves the ministry
Privacy	Strong	Greater in some states
Cost to form	Free — do it yourself	Free — do it yourself

GROUNDED IN FEDERAL STATUTE

7 Legal Facts Nobody Can Argue

Every fact below is cited directly to the Internal Revenue Code, federal case law, or the U.S. Constitution. These are not opinions.

FACT 01 Churches and religious trusts are automatically tax exempt

Neither a church nor a religious trust is required to apply for recognition of tax exempt status. They are exempt by operation of law from the moment they operate as genuine religious organizations.

Internal Revenue Code § 508(c)(1)(a)

FACT 02 No Form 990 required

Churches are specifically excluded from the annual information return requirements that apply to other nonprofits. Complete financial privacy. Congress wrote it this way on purpose.

Internal Revenue Code § 6033(a)(3)(A)(i)

FACT 03 The IRS has restricted authority to examine a church

Before the IRS can examine a church, a regional tax official must approve it in writing, provide written notice, and allow a 15-day waiting period. Churches have procedural rights that ordinary taxpayers do not have.

Internal Revenue Code § 7611 — Church Audit Procedures Act

FACT 04 The minister's housing allowance is settled law

A minister may exclude their housing allowance from gross federal income tax entirely — covering the home, utilities, repairs, maintenance, and furnishings up to the fair market rental value. Upheld in federal court 2019.

IRC § 107 · Gaylor v. Mnuchin, 919 F.3d 420 (7th Cir. 2019)

FACT 05 Church property used for ministry is exempt from property tax in all 50 states

Every state provides property tax exemption for property owned by a religious organization and actively used for religious purposes — worship, meeting areas, charitable housing, ministry offices, educational facilities.

State law — universal across all 50 states

FACT 06 Church and trust income is not subject to federal income tax

Tithes, offerings, and donations received in furtherance of the exempt purpose are not taxable income. This has been the law since the Revenue Act of 1913.

Revenue Act of 1913 · Revenue Ruling 59-129

FACT 07 The First Amendment provides constitutional protection no other structure has

The Free Exercise and Establishment Clauses create protections around genuine religious organizations that no corporation, LLC, or standard trust can access. Two hundred years of case law support this.

U.S. Constitution, First Amendment

REAL BENEFITS FOR REAL PEOPLE

What changes when you build a legitimate ministry

The Housing Allowance

One of the most powerful legal tax exclusions available to any American and almost nobody outside of ministry knows it exists. As a minister of your church or trust, you designate a portion of your income as a housing allowance. That amount is excluded from gross federal income tax entirely — covering your home, utilities, repairs, maintenance, and furnishings up to the fair market rental value. It has been in the law for decades. It was challenged in federal court in 2019 and upheld.

Ministry Property

Property owned by the church or trust and actively used for religious purposes is exempt from property tax in all 50 states. This includes worship and meeting spaces, ministry offices, transitional housing, farmsteads used for healing and teaching, vocational training facilities, and outreach centers. The use must be genuine and documented.

Ministry Vehicles

Vehicles used for outreach, congregation visits, speaking, community service, and ministry operations are church or trust expenses paid from funds that were never subject to income tax.

Tax-Free Church Income

Tithes, offerings, and donations received by the church or trust fund all operations with pre-tax dollars. They do not pass through personal income. They belong to the ministry and stay in the ministry.

Can the Trust Hold an LLC?

Yes. A 508(c)(1)(a) religious trust can hold an LLC or other business entity inside it provided that business actively supports the religious mission. A faith-based farm, a wellness practice serving the congregation, a publishing operation spreading the teaching. The business serves the ministry. The ministry holds the business. The structure is legal and the IRS recognizes it.

START HERE

Before anything else: two things you need

Thing 1 — A Name
Choose a name for your church or trust. It should reflect your mission. Keep it simple and meaningful. Examples: Freedom Life Ministry, Healing Waters Fellowship, Covenant Ground Trust, Farmstead Health Fellowship.

Thing 2 — A Mission
Write one or two sentences describing what your ministry does and who it serves. This is your purpose statement. It does not need to be perfect. It needs to be genuine.

That is the entire starting point. A name and a mission shared by two people who believe in it. You are already a faith community.

HOW TO GET YOUR EIN

Applying for an Employer Identification Number — Free, Online, 15 Minutes

An EIN is your ministry's federal tax identity. It is a 9-digit number the IRS assigns to your church or trust. It is completely separate from your personal Social Security number. You need it to open a bank account, receive donations formally, and establish your ministry as a legal entity. It costs nothing and you do not need anyone's permission to apply for one.

Step 1 Go to IRS.gov

Navigate to IRS.gov and search for 'EIN Online Application' or go directly to: www.irs.gov/businesses/small-businesses-self-employed/apply-for-an-employer-identification-number-ein-online

The application is free. The IRS does not charge for this. If any website asks you to pay for an EIN, close it and go directly to IRS.gov.

Step 2 Click 'Apply Online Now'

The online application is available Monday through Friday, 7am to 10pm Eastern Time. You will receive your EIN immediately upon completion. The whole process takes about 15 minutes.

Step 3 Select your entity type

For a CHURCH: Select 'View Additional Types' then choose 'Church or Church-Controlled Organization'.

For a RELIGIOUS TRUST: Select 'Trust' as your entity type and indicate the purpose is religious.

Step 4 Fill in your ministry information

You will need: the legal name of your church or trust exactly as it appears on your founding documents, your name as the responsible party, your Social Security number (for identification only — this is not linked to the ministry's taxes), your ministry's mailing address, and the date your ministry was formed or started.

The county and state where your ministry is located. The reason for applying: select 'Started a new business' or 'Created a trust' depending on your structure.

Step 5 Confirm and receive your EIN

Review your information and submit. Your EIN is issued immediately on screen. Print or save the confirmation page right away. The IRS will also mail you a paper confirmation.

Write your EIN down and keep it in a safe place. You will use it every time you deal with banks, vendors, or any financial institution on behalf of the ministry.

Step 6 Save your EIN confirmation letter

The IRS will issue a CP 575 letter confirming your EIN. This is your official proof of the EIN. Banks will ask for this letter when you open your ministry account. Keep the original and make copies.

Important: You do not need to tell the IRS you are a 508(c)(1)(a) organization during the EIN application. You are simply establishing a federal tax identity for your ministry. The 508(c)(1)(a) exemption applies automatically because of what you are and how you operate — not because of anything you file.

OPENING YOUR MINISTRY BANK ACCOUNT

How to open a bank account for your church or trust

Every dollar that flows through your ministry must flow through a ministry account, not your personal account. This is the single most important practical step you will take after getting your EIN. It separates your personal finances from ministry finances completely and is what makes the structure hold up.

What you will need to bring to the bank:

- Your EIN confirmation letter (CP 575) from the IRS
- Your founding documents — either your church charter / articles of organization OR your Declaration of Trust
- Your government-issued photo ID
- Your ministry's name exactly as it appears on your founding documents
- An initial deposit — most banks require a minimum opening deposit, often $25 to $100

Step 1 Choose your bank

Most major banks and credit unions will open accounts for churches and religious organizations. Credit unions are often more flexible and community-oriented. Call ahead and ask if they open accounts for religious nonprofit organizations with an EIN. Some banks have specific nonprofit or ministry account types with no monthly fees.

Step 2 Ask for a nonprofit or organizational checking account

When you arrive, tell the banker you are opening an account for a faith-based religious organization. Ask for their nonprofit or organizational checking account. Many banks waive fees for religious organizations. Bring all your documents even if they only ask for some of them.

Step 3 Provide your founding documents

The bank will want to see that your ministry exists as a legal entity. Your Declaration of Trust or church charter is that proof. They will copy it for their records. Make sure the name on the documents matches the name you are using for the account exactly.

Step 4 Provide your EIN

The EIN is what the bank uses to identify your ministry with the IRS. Do not use your personal Social Security number for the ministry account. The EIN is the ministry's number. Keep them completely separate.

Step 5 Set up your signatories

Decide who can sign checks and authorize transactions on behalf of the ministry. For a trust, this is typically the trustee. For a church, this is typically the minister or designated officers. The bank will have each authorized person sign a signature card.

Step 6 Keep ministry money completely separate from personal money

Once the account is open, every offering received goes into this account. Every ministry expense is paid from this account. You never mix the two. Not even once. This separation is what makes the structure legally clean and what protects you if anyone ever questions the ministry's finances.

Online banks that work well for ministries:

Relay — no monthly fees, excellent for nonprofits and small ministries

Bluevine — no fees, designed for small organizations

Your local credit union — often the most flexible and community-minded option

Any of these can be opened with just your EIN, founding documents, and ID.

FORMING A 508(C)(1)(A) RELIGIOUS TRUST

Complete walkthrough — start to finish

Everything here is free and you can do it yourself. The IRS publishes sample language. The forms are online. The knowledge is available to anyone willing to seek it.

1. **Draft your Declaration of Trust**

   Write the document establishing the trust, naming the trustee, stating the religious purpose, and setting the governance rules. The IRS publishes sample trust language at IRS.gov under 'Sample Organizing Documents.' You can model your Declaration directly from that language and customize it to your ministry's purpose.

2. **Register with your state if required**

   Some states require religious or charitable trusts to register with the Secretary of State. Many do not. Search your state name plus 'religious trust registration requirements' to find out what applies to you. If registration is required it is typically a simple form and a small fee.

3. **Apply for your EIN**

   Follow the EIN steps in the previous section. Select 'Trust' as your entity type. This is your ministry's federal identity and what you take to open your bank account.

4. **Open your ministry bank account**

   Follow the bank account steps in the previous section. Take your EIN confirmation letter and your Declaration of Trust. Open the account in the trust's name.

5. **508(c)(1)(a) applies automatically**

   No application. No IRS form. No determination letter to wait for. The exemption exists the moment your trust operates as a genuine religious ministry. You are not asking for permission. You are operating within a right that already belongs to you.

6. **Operate and document everything from day one**

   Meeting minutes, attendance records, offerings received, expenses paid, teaching notes, outreach activity. Documentation is what makes the structure hold up. Start a binder or folder from your very first gathering and never stop.

FORMING A 508(C)(1)(A) CHURCH

Complete walkthrough — start to finish

1. **Clarify your calling**

   Write your ministry's purpose in plain language. Who do you serve? What is your message? What has God placed on your heart? This becomes your creed and the foundation of everything else.

2. Write your Statement of Faith and church charter

Document your core beliefs, your form of worship, and how your church operates. Write a simple charter establishing the church as a legal entity — its name, purpose, leadership structure, and how decisions are made. Write it in your own words. It does not need legal jargon to be valid.

3. Establish your congregation

Two people who share the mission is enough to begin. Even a small consistent group that gathers, learns, and serves together counts. Document attendance from your very first gathering — date, location, who was there, what was taught.

4. Apply for your EIN

Follow the EIN steps in the previous section. Select 'Church or Church-Controlled Organization' as your entity type. This is your ministry's federal identity.

5. Open your church bank account

Follow the bank account steps. Separate church finances from personal finances from day one. Take your EIN and your church charter to the bank. Open the account in the church's name.

6. Hold regular gatherings and document everything

Consistency matters. Weekly, bi-weekly, or monthly — pick a cadence and hold to it. Document every gathering, every teaching, every offering. This ongoing record is the living proof of a real ministry.

WHAT MAKES IT LEGITIMATE

The IRS's Own 14 Characteristics

The IRS uses these fourteen characteristics to evaluate whether an organization qualifies as a church. No single factor is required. No single factor disqualifies. It is the totality of the picture. A real ministry doing real things checks enough of these naturally.

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01 Distinct legal existence

The church or trust exists as a separate legal entity with its own name and governing documents.

02 Recognized creed and form of worship

A defined set of beliefs and a consistent way those beliefs are practiced and expressed.

03 Definite ecclesiastical government

A defined leadership structure — who leads, how decisions are made. Even a simple two-person structure qualifies.

04 Formal code of doctrine and discipline

Written beliefs and standards. A statement of faith and a code of conduct for the community.

05 A distinct religious history

The story of how and why this ministry came to exist. Your founding purpose and calling.

06 Established congregation or membership
Consistent members who consider this their faith community. Size does not matter. Two people is enough to begin.

07 Ministers or leaders
The ministry has recognized leaders who serve and shepherd the community.

08 Leaders with preparation or study
Leaders have prepared for their role — through study, experience, apprenticeship, or calling. Document how.

09 Literature of its own
Teaching notes, bulletins, newsletters, study materials, a website. The ministry produces its own content.

10 Established places of worship
Consistent locations where the congregation gathers. A home, rented space, or farmstead all qualify.

11 Regular religious services
A consistent recurring schedule of gatherings — weekly, bi-weekly, or monthly, documented.

12 Religious education programs
Bible studies, health and healing workshops, faith-based teaching, discipleship programs.

13 Development of future leaders
Any form of leadership development — mentorship, a course of study, a training track for future ministers.

14 Any other facts and circumstances
Outreach, community service, faith-based healing ministry, vocational training — all evidence of genuine religious activity.

A DISTINCT ADVANTAGE

508(c)(1)(a) and Free Speech

One of the most important and least-known advantages of the 508(c)(1)(a) structure is what it does not restrict compared to other nonprofit classifications.

501(c)(3) organizations

Subject to the Johnson Amendment of 1954. Restricted from endorsing candidates, speaking on legislation, or engaging in political campaigns. Organizations that violate this risk losing their tax exempt status entirely.

508(c)(1)(a) ministries

Not subject to the same restrictions. A 508(c)(1)(a) church or religious trust can speak openly on political issues, candidates, and legislation that affect faith, health freedom, parental rights, and community values — without risking its exempt status.

Why this matters

If your ministry speaks on health freedom, government censorship of natural medicine, parental rights, or the role of faith in public life — the 508(c)(1)(a) structure protects that speech in ways a 501(c)(3) registration cannot. You are not trading your voice for your exemption. You keep both.

ON FEAR

"God has not given us a spirit of fear, but of power and of love and of a sound mind."

2 Timothy 1:7

Fear has a cost most people never add up.

- Paying taxes on income the law does not require you to pay taxes on
- Handing a piece of everything you built to a system that is happy to take it every year
- Never accessing the housing allowance — one of the most powerful legal exclusions in existence
- Never building something that could serve your community and leave something real behind

The knowledge is there. The law is public. The IRS publishes its own guidance. Every form in this document is free. God gave you a mind and He gave you discernment. Use them.

Faith without wisdom is not courage. Know the law. Build it right. Document everything. Walk in purpose.

> **The law has always been on your side.**
> Most people were just never told.

WORK WITH AIMEE PERSONALLY

I will sit down with you and build this together.

Every step in this document is something you can do yourself. That is the whole point. But I also know that reading about something and actually doing it with another person who has already walked the path are two different experiences.

If you want help, I am available. I will meet with you personally, walk through your specific situation, help you choose between a church and a trust based on what makes sense for your life and your mission, and sit with you while we get it done. Not hand you a package and send you on your way. Actually sit with you and build it.

Here is what I will help you do in one session:

- Name your church or trust and write your mission statement
- Draft your founding documents — Declaration of Trust or church charter
- Complete your EIN application together on IRS.gov
- Print every document you will need to walk into a bank and open your ministry account
- Set up your record-keeping system from day one
- Answer every question you have along the way

Ready to build your ministry? Reach out directly.

Aimee — Farmstead Health Fellowship
Phone / Text: 916-500-1173
Website: www.farmsteadhealth.org

This is donation based. Give what you can, when you can.
The mission matters more than the money.

SUPPORT THIS MINISTRY

This resource is free. If it served you, consider a donation.

Farmstead Health Fellowship exists to share the knowledge that the mainstream system does not want you to have — about your health, your rights, and your freedom to organize your life around your faith.

Everything in this document took time, research, and a genuine calling to put together. It is offered freely because we believe knowledge belongs to the people. If this resource helped you or someone you know, consider supporting the ministry so we can continue producing resources like this and reaching more people who need them.

How to support Farmstead Health Fellowship

Donate any amount that feels right to you. There is no minimum. There is no expectation.

Your donation supports the creation of free educational resources, the healing retreats and community gatherings, the ongoing teaching and outreach, and the mission of helping people heal — in body, mind, and financial freedom.

Aimee · 916-500-1173 · www.farmsteadhealth.org

PRIMARY LEGAL REFERENCES

Sources — Verify Everything Yourself

Every fact in this document is grounded in one of the following sources. All of them are publicly available. Look them up yourself.

IRC § 508(c)(1)(a) — Church exemption from the requirement to apply for tax exempt status

IRC § 6033(a)(3)(A)(i) — Church exemption from annual Form 990 filing requirements

IRC § 7611 — Church Audit Procedures Act — restrictions on IRS examination of churches

IRC § 107 — Minister's housing allowance — parsonage allowance exclusion from gross income

Gaylor v. Mnuchin, 919 F.3d 420 (7th Cir. 2019) — Federal court upholds constitutionality of the minister's housing allowance

Revenue Ruling 59-129 — IRS recognition of church tax treatment under federal law

IRS Publication 1828 — Tax Guide for Churches and Religious Organizations — published by the IRS itself

U.S. Constitution, First Amendment — Free Exercise Clause and Establishment Clause — constitutional foundation of church protection

IRS.gov — Form SS-4 — Free EIN application — apply online in 15 minutes at IRS.gov

IRS.gov — Sample Trust Documents — IRS-published sample Declaration of Trust language for charitable and religious organizations

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