

# The Surrender and Betrayal of the Church

## *The Unholy Union of the Church with the State thru Incorporation and Tax Exemption*

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A great and treacherous apostasy has taken place in the churches of America to which most Christians are totally oblivious, but which almost every church in America has fallen prey to. Though the New Testament Church has been called out to be the faithful bride of her one and only husband, the Lord Jesus Christ, she has **betrayed** her espoused head. The Apostle Paul said to the church at Corinth, *“For I am jealous over you with a godly jealousy; for I have espoused you to one husband, that I may present you as a chaste virgin to Christ. But I fear, lest by any means, as the serpent beguiled Eve through his subtilty, so your minds should be corrupted from the simplicity that is in Christ”* (2 Cor. 11:2-3). But sadly, just as Old Testament Israel was unfaithful to her husband and went “whoring” after other gods, so have the churches in America for the most part corrupted themselves, and as the Apostle feared, have indeed been beguiled by the Serpent as was Eve. Like the church at Ephesus they have left their first love, and joined themselves in an adulterous affair with another head, the *civil government*, otherwise known as the **state**, and have thereby been legally neutralized from being the “salt” of our society (Matt. 5:13). This betrayal has taken place by: (1) re-organizing the churches into fictitious **corporations** which by law are created by and therefore **controlled** by the state, and by: (2) entering into a traitorous contract with the government to limit their message and influence in society in exchange for **tax exemption**. Though the Bible clearly teaches that Christ is to be *“head over all things to the church”* (Eph. 1:22), the churches have taken the idolatrous position that the Lord Jesus must share his lordship over his Church with the state; and they are furthermore, except for a few brave souls, refusing to see how great and abominable this sin is, or to repent and correct their error. In this exposé the following facts will be conclusively shown:

### **1. Incorporated “churches” are not and cannot be true New Testament churches**, in that:

- Corporations are created by the state, not by the Lord Jesus;
- Their head and master by law is the state, not the Lord Jesus;
- The Bible cannot be the sole authority for faith and practice in their organization, since their supreme written authority by law is their corporate charter and statute law, including the Internal Revenue Code, **not the Bible**;
- Their pastors do not have Biblical authority (per Heb. 13:7, 17; etc.) over their flocks but are mere hirelings (John 10:12) under authority of the corporate trustees, **and**:

**2. Tax Exemption** for “not-for-profit” organizations (for corporations, trusts **and** unincorporated associations) under Internal Revenue Code sec. 501(c)3 is a **trap** used by the government to control the churches and **silence** the preachers of America from influencing our government and society, and from crying out against wicked government policies, politics and politicians. For the churches to enter into such a treacherous contract with the state constitutes a grievous, abominable **SIN**. In fact, for all practical purposes it is a sin very similar to taking the “mark of the beast” (Rev. 13) upon the Church, in **betraying the Lordship of Christ by bowing to the supremacy of the state**.

The civil government has always, from the first century onward, attempted to control and subjugate the Church of the Lord Jesus Christ. The Jewish Sanhedrin asked Peter of his authority to preach and heal in Acts 4:7, *“By what power, or by what name [(i.e., By whose*

*authority*]), *have ye done this?*” This was essentially the same question they had asked the Lord Jesus in Matt 21:23: “*By what authority doest thou these things? and who gave thee this authority?*” They wanted the disciples to ask them for **their** permission or authority to preach. They may have let them preach **about** Jesus, but only under **their** authority. It has been the same down through the ages, through the days of intense and bloody persecution of the true church by the Roman Caesars and then for many centuries by the Roman Papacy, after the *apostate* church entered into an unholy marriage compact with Roman emperor Constantine in the fourth century. The issue has always been who would control the Church; civil/ecclesiastical government, or the Lord Jesus.

One of the primary reasons God had so blessed America is that under our Constitutional system and Bill of Rights, the Church could for the first time in history function unhindered by the state. Before that time, even in America, most of the 13 colonies had their own state churches, which often persecuted those of dissenting denominations. Patrick Henry’s timeless quote, “*I know not what course other men may take, but as for me, give me liberty or give me death*” was inspired when he witnessed a man being publicly flogged in Culpepper, Virginia, in March of 1775. The man was of one of twelve Baptist preachers jailed for preaching without a license from the state (Episcopal) church. In 1789 there were many delegates to the Constitutional Convention who were still of the belief that the nation must select and support a state church. It was primarily at the insistence of the Baptists of Rhode Island, assisted by Madison and Jefferson of Virginia, that the First Amendment was adopted guaranteeing that no particular denominational sect would be sanctioned by the government. During Madison’s presidency the Episcopal Church sought incorporation through Congress. Madison vetoed the legislation, saying that if the government incorporated the Episcopal Church it would have created a state church. For over a hundred years after the adoption of the Bill of Rights, the Church stood rightly as the “watchdog” over the government, holding government accountable to the Word of God (Ps. 149:5-9). Legislation in Christian America back then had to pass the “pulpit test”; if it wouldn’t preach well from the pulpits it would surely not pass in the legislature. Sadly, those days are now long gone and the churches have in many ways been effectively silenced. They *have* become incorporated, they have acknowledged another lawgiver and another ruler, and thus they have, to their shame, become state churches.

## A CORPORATION CANNOT BE A CHURCH

A true New Testament church **cannot** organize as a corporation, because **a corporation cannot be a true New Testament church**. What exactly is a corporation? Black’s Law Dictionary (6th. Ed.) defines a corporation as “*an artificial person or legal entity created by or under the authority of the laws of a state. An association of persons created by statute as a legal entity.*” By law, corporations are created by the **state** and are therefore by law under the state’s jurisdiction and control. To affirm this point, in the landmark case of *Hale v. Hinkle*, 201 U.S. 43 (1906), the U.S. Supreme Court made the following very revealing declaration (emphasis added):

*“A corporation is a creature of the state. It is presumed to be incorporated for the benefit of the public. It receives certain special privileges and franchises and holds them subject to the laws of the state and the limitations of its charter. Its powers are limited by law. It can make no contract not authorized by its charter. Its right to act as a corporation are only preserved to it so long as it obeys the laws of its creation. There is a reserved right in*

*the legislature to investigate its contracts and ascertain if it has exceeded its power.”*

It should be **obvious** to every thinking Christian that every statement in the above legal definition of a corporation is diametrically opposed to the Biblical definition of the Church and to the lordship of Christ over His church. Consider these statements one by one: “**A corporation is a creature of the state...**” Our copyright and patent laws are based on the legal maxim that the creator always has ownership and control over his creation. By law whatever the state **creates**, the state **controls**. A New Testament church **cannot** be a creature of the state; Jesus founded the church and said **He** would build **His** church. “**...It is presumed to be incorporated for the benefit of the public...**” The Church exists for the benefit of its members (1 Cor. 12) and its head, the Lord Jesus Christ, NOT the public. Jesus promised us that the world (the public) would HATE the Church (John 15:18-19). **Corporate** churches must by law exist for the benefit of the public, which is exactly why the IRS says they cannot publicly preach any “propaganda” contrary to established public policy. “**...It receives certain special privileges and franchises...**” (the Church exists and functions as a matter of **right**, not of privilege; by order of the Lord Jesus’ commission in Matthew 28:18-20, not by permission from the government) “**and holds them subject to the laws of the state and the limitations of its charter** [(not the Bible)]. **Its powers are limited by law** [(not the Bible)]. **It can make no contract not authorized by its charter** [(not the Bible)]. **Its right to act as a corporation are only preserved to it so long as it obeys the laws of its creation.**” By law the first and **final authority** for the corporation is the corporation’s charter (corporate constitution and by-laws) and corporate statute law, not the Bible. “**There is a reserved right in the legislature to investigate its contracts and ascertain if it has exceeded its power.**” Regarding this right, the court also said: “**the right of visitation** [by government] **is for the purpose of control and to see that the corporation keeps within the limits of its powers.**” A corporate church has no privacy in its membership, financial or other business records, which may be ordered at any time to be open to public scrutiny and control. Incorporated churches are therefore informants for the government regarding the finances and contributions of its members. Corporate churches are required to conduct regular business meetings and maintain minutes from those meetings, also open to public scrutiny. Also, by corporate law, all property owned by the corporation is held in trust by the trustees for the **beneficiary** of the trust, which is the state; i.e., the property is ultimately owned by the state. Under corporate law, Biblical church government is turned on its head as the trustees run the corporation on behalf of the **State**, and are **over** the pastor in authority. The church is converted to a **business**, the pastor is reduced to a CEO of the business and is now a mere a hireling under corporate authority of the trustees (John 10:12).

Consider the glaring contrast between the above quote from the *Hale v. Hinkle* ruling and the 1st Amendment to the Constitution: “**Congress shall make no law respecting the establishment of religion, or prohibiting the free exercise thereof.**” That means Congress can neither **protect** nor **restrict** the Church’s activities. While no church member is free to commit any common law crime, Congress has **no jurisdiction** to make **any law** which applies to the Church itself. Conversely, as stated in *Hale v. Hinkle*, corporations cannot exist or function *apart from* statute law! When a church incorporates, it is then seen in the eyes of the law (by the courts) as a **corporation**, not a church. As such, **incorporated churches are not protected under the First Amendment to the Constitution**, but are entities over which the courts and the legislature may take jurisdiction and command to perform according to their orders. That is how the courts can hand down decisions against incorporated churches that *seem* to violate the First Amendment, when actually the First Amendment does not even apply! **Incorporated “churches” have no 1st Amendment rights**; they have willingly given up First Amendment protection in exchange for corporate privileges and

government subsidies, just as Jacob's older brother Esau traded his birthright for a mess of pottage. Beyond this, however, and by far the most critical issue, is that the head of every incorporated "church" is the State, not the Lord Jesus.

### TAX EXEMPTION vs. TAX IMMUNITY

As if incorporation itself wasn't bad enough, the incorporated "church" then goes to the state to humbly beg for **tax exemption** as a "Non-Profit Charitable Organization" (see Jer. 2:11, "*but my people have changed their glory for that which doth not profit*"). The true Church, protected under the 1st Amendment, is actually **non-taxable**; it is *immune* from taxation and needs no *exemption*, which is only a privileged exception extended to *taxable* entities at the government's expense. As such, the Supreme Court ruled in the Bob Jones University case that tax exemption for non-profit organizations is a **government subsidy**. Regarding their Supreme Court ruling, Dr. Bob Jones III wrote the following summary (emphasis added), clearly showing that tax exemption is a **trap**:

"From 1971 until 1983 Bob Jones University was in controversy with the IRS over its tax-exempt status. The issue culminated in a 1983 ruling against this institution by the U.S. Supreme Court declaring that since we held views that were contrary to **prevailing federal public policy** we would forfeit our exemption...the court ruled in our case that **tax exemption was a subsidy**...and that religious organizations had to yield their religious beliefs in favor of '**overriding government interests**.'

In case you missed it, that quote said tax exemption is a **government subsidy**. What the government *subsidizes*, it also *controls*. Tax Exemption is a **trap**, which has been intentionally baited and sprung by the government to lure and draw the churches *outside* of Constitutional protection, and thereby to control the churches and pulpits of America and prevent them from speaking out against established government policy. To receive tax exemption the corporate "churches" must enter into a treacherous covenant with the IRS to preach **public policy** and remain **silent on all issues before the legislature**. This "*new covenant*" for the corporate church, otherwise known as Internal Revenue Code section **501(c)3**, reads as follows:

**Sec. 501.** Exemption from Tax on Corporations, Certain Trusts, etc...

(c). List of Exempt Organizations...

(3). Corporations, and any community chest, fund, or foundation, organized and operated exclusively for religious, charitable, scientific, testing for public safety, literary, or educational purposes or to foster national or international amateur sports competition, or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private shareholder or individual, no substantial part of the activities of which is carrying on **propaganda** [?] or otherwise attempting to influence legislation (except as otherwise provided in subsection (h)), and which does not participate in, or intervene in, (including the publishing or distributing of statements), any political campaign on behalf of (or in opposition to) any candidate for public office. (emphasis added)

By seeking tax exemption under IRC 501(c)3 the incorporated churches have lumped themselves together with secular and pagan organizations (most of which are allowed to lobby to influence legislation under an exception clause *not offered to churches*; see 501(h)(5)); and have made an agreement with the government not to "carry on propaganda" (not defined in the IR Code,

but defined in the BJU case quoted above as speaking out against "prevailing Federal public policy") or to "attempt to influence legislation." If an issue such as homosexual rights or child pornography or abortion rights is being considered in Congress, pastors of 501(c)3 incorporated churches are not allowed to tell their people to call their congressmen to voice their views, as that is attempting to influence legislation. They are not allowed to take out ads in the local news media to inform Christians on legislative issues. Technically, IRC 501(c)3 can be interpreted to completely disallow preachers from even preaching from their own pulpits on political issues. The day will soon come that the "propaganda" forbidden by 501(c)3 will include preaching the Gospel that the only way to heaven is through the Lord Jesus. Actually, under current "hate crime" legislation, that day is already upon us. For preachers to say (as many do when confronted with the issue) that they can make such an agreement without intending to keep it constitutes **fraud**, and is exactly parallel to taking the mark of the beast with their fingers crossed behind their backs. Also, any Christian who believes the Church should be confined to its own four walls and should not influence government or society needs to re-read his Bible, particularly such passages as Matt. 5:13-14, Matt. 28:18 ("all authority in heaven **and in earth**"), Rev. 5:10, Is. 9:6-7, Ps. 2:8-12 and Ps. 149:5-9 which shows that all of God's saints have the honor of holding kings and nobles accountable to the two-edged sword, the word of God (Heb 4:12). Since Jesus is the "king of kings" then all civil authorities answer to him (Rom 13:6). He is presently working on this earth through His Church, which is to be the salt of the earth.

## THE BIBLE SUBJECTED TO THE TAX CODE

**No incorporated tax-exempt "church" can honestly claim that it is operating under the fundamental doctrine of the Sole Authority of the Scriptures.** Incorporated tax-exempt churches have by their contract not only placed the Bible **under** their corporate charter, but also under the **Internal Revenue Code** in authority. Consider the following quote from the opening statement of the Constitution and By-laws of an independent, fundamental Baptist church in Land O' Lakes, Florida:

### Section 2 - Purpose

A) This congregation is organized and incorporated as a church **exclusively** for charitable, religious, and educational purposes within the meaning of Section 501(c)3 of the **Internal Revenue Code** of 1986 (or the corresponding provision of any future United States Revenue law)... (emphasis added)

In case you missed it, that said "**exclusively**" within the meaning of the **Internal Revenue Code**! This blatant apostasy and treacherous betrayal is not unique to this church but is fairly common as this very wording has been promoted by the lying deceivers of the CLA, the "Christian Law (*Lie*) Association." This is an outright betrayal of the blood of the martyrs through the centuries who were tortured and burned at the stake for standing on the sole authority of the scriptures. It is also a betrayal of another of the main distinctive doctrines of the Baptists held throughout history, a doctrine of which modern-day Baptists seem to be sadly ignorant: the doctrine of the Separation of Church and State. (*Note: historically Baptists were the few that believed it is not the Church's job to control the government, neither is it the government's job to control the Church. History was dominated from the 4th through the 18th centuries first by the Popes and then by the Protestants enforcing false doctrines by the edge of the sword and persecuting, torturing and murdering the Baptists.*) This is not just a Baptist issue, but Baptists must wake up and see that **any**

**preacher** that pastors an incorporated, 501(c)3 tax-exempt (state-sponsored) church, and at the same time preaches against worldly attire, worldly music, smoking, or other *personal* compromises is straining at gnats when he has **swallowed a camel** (Matt 23:24). He can preach against the NIV or NASV on behalf of the King James Bible, but his first and final authority is the **IRC** (Internal Revenue Code) and his corporate constitution and by-laws, **not the Bible**. He can *preach* against sexual immorality and adultery, but he has committed **spiritual adultery** by marrying the bride of Christ to another husband. He can *call himself* Baptist, but he has compromised and betrayed both Baptist distinctive doctrines of the *Sole Authority of the Scripture* and the *Separation of Church and State*, and is unworthy of the name **Baptist** and those doctrines for which many thousands of saints courageously and willingly gave their lives.

**NO MAN CAN SERVE TWO MASTERS.** And **neither can the Church.** Many pastors and churches have awakened and repented of their blatant, willful ignorance and now see that it is **wrong, immoral, idolatrous, unbiblical and sinful** to allow the Church to be organized as a 501(c)3 tax-exempt corporation (or any other similar statutory tax-exempt organization) and are now standing up for the Lordship of Christ over His Church no matter what the cost. The main reason for their conviction is the premise that **Christ alone is the one and only authority over the Church**, as found in Ephesians 1:19-23:

*“And what is the exceeding greatness of his power to us who believe, according to the working of his mighty power, Which he wrought in Christ, when he raised him from the dead, and set him at his own right hand in the heavenly places, Far above all principality, and power, and might, and dominion, and every name that is named, not only **in this world**, but also in that which is to come: And hath put all things under his feet, and gave him to be the **head over all things to the church**, Which is his body, the fullness of him that filleth all in all.”*

The central issue concerning church incorporation, based on Ephesians 1:22, (also Matt. 16:18, Col. 1:18, and Eph. 5:23) is that **the Lord Jesus Christ has sole jurisdiction and authority over the Church in all matters**; therefore:

### **THE CHURCH CANNOT ANSWER TO ANY AUTHORITY OTHER THAN THE LORD JESUS CHRIST.**

Jesus is head over **all things** to the church. That means the civil government has **no authority whatsoever** over the church. To **report to, answer to, or grant authority** over the church to **anyone** other than the Lord Jesus is denial of Ephesians 1:22 and is idolatry. America’s founding fathers understood this, when they wrote in the 1st Amendment to the Constitution, **“Congress shall make no law respecting the establishment of religion, or prohibiting the free exercise thereof.”** Congress has **no jurisdiction** to *restrict* or *tax* the Church in any way. As the Supreme Court has stated, **“the power to tax involves the power to destroy.”** Congress does NOT have authority to destroy the Church through any form of taxation. Congress cannot tax the Church because **the government cannot tax God** or take His tithe. This is why the Church is **non-taxable** and does not need any “exemption.” Even if the 1st Amendment had not been written, if Congress made any law apply to the Church, the Church would be duty-bound to **ignore** the law, because **the State has no authority over the Church**. This principle applies to local government as well as federal. For the Church to go to local government for occupancy permit, marriage license or any

other permit or license is to acknowledge another head over the Church. **We cannot take a license from government to do what God commands.** This is why during the 1600's, John Bunyan, author of *"The Pilgrim's Progress,"* spent 13 years in jail - at great price to his wife and children - for preaching the gospel without a license from the Anglican state church. This is why Baptist preachers were persecuted in Virginia and other colonies even up until the 1770's; for preaching the gospel without a license from the state church. 1st century Christians were martyred by Rome *not* because they were Christians, but because they refused to accept Caesar's lordship and seek *permission* ("licit") from Caesar to *be* Christians. In going to the government for incorporation and tax exemption, the churches have done what the martyrs refused to do; they have asked the state to *license* the church, and thereby have voluntarily surrendered Jesus' lordship over the church to the government, *"even denying the Lord that bought them"* (2 Pet 2:1).

**"But they're not telling *me* what to preach!"**

This is the typical position most preachers take when confronted with this information. They say that when they *are* told what to preach (which in fact they already are), they will simply not honor their contract and will preach what they want to anyway. As stated, accepting tax exemption with this dishonest mindset constitutes fraud, and may even qualify as illegal tax evasion. Far more important than that however, is this fact of eternal consequence: *the issue is not in how strictly the government is enforcing their contract; the issue is the preachers' idolatrous willingness to give the government jurisdiction over the Church that only belongs to Jesus!* *"Know ye not, that to whom ye yield yourselves servants to obey, his servants ye are to whom ye obey; whether of sin unto death, or of obedience unto righteousness?"* (Rom. 6:16). Again, incorporating a church and applying for tax-exemption involves the **same sin** as taking the mark of the beast; both acts deny the exclusive lordship of Christ by bowing to the supremacy of the state. The church cannot serve two masters. While God "winks" at the sins we commit in ignorance (Ac. 17:30, 1 Tim. 1:13), the pastors of America must now **repent** and free their churches from the wicked covenants they have made with the state, and return their churches to the Lord Jesus. *"Remember therefore from whence thou art fallen, and repent, and do the first works; or else I will come unto thee quickly, and will remove thy candlestick out of his place, except thou repent"* (Rev 2:5). It is time for the Church to be the Church; for the Bible to once again be our sole authority for faith and practice, and for the Lord Jesus Christ to once again be our **only** Lord and Master. Amen.