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86-94

Senate Overwhelmingly Passes  
Own Version Of Tax Reform

By Kathy Palen

WASHINGTON (BP)—By a 97-3 margin, the U.S. Senate has passed its version of the tax reform bill, H.R. 3838.

During a roll-call vote June 24, senator after senator—with the exception of Sens. Carl Levin, D-Mich.; John Melcher, D-Mont.; and Paul Simon, D-Ill.—affirmed passage of the dramatic tax overhaul crafted by Sen. Bob Packwood, R-Ore., and his Senate Finance Committee.

Senate and House of Representatives conferees, who are yet to be named, next will attempt to reconcile the just-passed Senate bill with the one approved by the House last December. Conference work is expected to begin in mid-July, following Congress' July Fourth recess.

Should a compromise be reached by the conferees, the conference report would have to be approved by both houses and signed by President Reagan.

Among the differences to be worked out is one concerning the tax-exempt status of church pension groups—including the Southern Baptist Annuity Board. While the Senate tax reform plan would retain current law allowing federal tax exemption for non-profit organizations offering "commercial-type insurance," the House version would repeal that exemption.

Specifying "annuity contracts shall be treated as providing insurance," the House legislation would strip the Annuity Board and other similar church pension and welfare groups of their federal tax exemption.

Another difference the conferees will face is over the eligibility of non-itemizing taxpayers to claim deductions for charitable contributions.

By rejecting an amendment sponsored by Sens. Robert W. Kasten Jr., R-Wis., and Daniel K. Inouye, D-Hawaii, to make such deductions permanent, the Senate agreed to allow a current provision for such deductions to expire as scheduled at the end of 1986.

The House version includes a permanent provision for non-itemizers annually to deduct all charitable contributions in excess of \$100.

The two plans also differ in regard to provisions for 403(b) tax-sheltered annuity contracts—such as those offered by the Annuity Board.

The House bill would distinguish between employer and employee contributions to 403(b) plans and place a \$7,000 cap on annual employee contributions. The House plan also would override a current provision that allows a participant to designate a portion of his salary as a "catch-up" device for years in which he was able to put little or nothing into a retirement plan.

By retaining current law regarding 403(b) plans, the Senate version differs with each of those provisions. The Senate bill, however, would restrict individuals covered by a tax-favored retirement plan—such as a 403(b) plan—from deducting their contributions to Individual Retirement Accounts.

Both versions would reinstate clergy housing benefits. Under current tax law, only ministers who occupied their residence or had a contract to purchase one by Jan. 1, 1983, are eligible to declare mortgage interest and property tax deductions in addition to tax-exempt housing allowances. Even that limited eligibility is scheduled to extend only through tax year 1986.

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Under both bills, the reinstatement would be retroactive, meaning ministers unable to claim mortgage interest and property tax deductions for tax years 1983 and 1984 would be eligible to file amended returns to seek refunds.

In addition, both versions would allow churches that elected to claim exemption from paying Social Security taxes for their non-ministerial employees to revoke that election.

A 1983 change in Social Security laws forced churches—and all other non-profit organizations—to participate in the nation's retirement system by paying the employer's share of Social Security taxes and withholding the employee's portion for all non-ministerial employees. In 1984, Congress approved a compromise permitting churches—including conventions, associations, church schools and church-controlled organizations—a one-time election not to participate "for religious reasons" in Social Security on behalf of their non-ministerial employees.

By law, ministers will continue to participate in Social Security as self-employed persons.

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BJCPA Head Urges Congress  
To Avoid Taxing Churches

By Kathy Palen

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WASHINGTON (BP)—While members of the House of Representatives waited for news of final Senate action on the current tax reform bill, they received a separate, yet related, message.

That message—delivered through letters from Baptist Joint Committee on Public Affairs Executive Director James M. Dunn and copies of Southern Baptist Convention-approved resolutions—urged each congressman to help in eliminating a House tax reform provision that if incorporated into the House-Senate compromise on the tax reform legislation would tax church pension boards.

"I am sure you do not want to allow the Congress to say, in effect, to the churches, 'We will tell you that caring for the elderly, ill and widowed servants of the churches is not a part of your ministry,'" Dunn wrote. "Since it is a part of the ministry of the church it should retain exemption."

Dunn's letter referred to language in the House bill specifying "annuity contracts shall be treated as providing insurance." Coupled with a provision to repeal federal tax exemption for non-profit organizations offering "commercial-type insurance," that language would strip church pension and welfare groups—including the Southern Baptist Convention Annuity Board—of their tax-exempt status.

The Baptist Joint Committee head asked House members to express concern about the threat to church pension groups to colleagues on the House Ways and Means Committee. Selected members of that committee will join Senate conferees in trying to reconcile the two versions of the tax reform bill, H.R. 3838.

Dunn also wrote separate letters to Ways and Means Committee members. Accompanying those letters were copies of two resolutions—one passed June 11 by the Southern Baptist Convention meeting in Atlanta and another passed earlier by the SBC Executive Committee.

"For Congress to suggest it has the right to determine the mission and purpose of the church raises serious constitutional questions," Dunn warned. "The pension boards of the churches, along with other not-for-profit agencies, would be taxed on their ministry of caring for their own retired, disabled ministers and their widows, unless this serious flaw is corrected."

Dunn asked the committee members to consider carefully the SBC resolutions, both of which voice vigorous opposition to taxation of church pension boards.

Meanwhile, Dunn also wrote to congratulate Senate members on their passage of tax reform legislation that leaves church pension boards' federal tax exemption in place. Dunn also offered the Baptist Joint Committee's assistance during the conference process.

Conference work on the tax reform bill is expected to begin in mid-July. Should a compromise be reached, the conference report would then have to be approved by both houses and signed by the president.

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Brazilian Water Project  
Helps Two Needy Towns

SALVADOR, Brazil (BP)—Southern Baptist missionaries, Brazilian Baptists and a Brazilian state government recently joined hands to bring clean, safe drinking water to more than 5,000 people.

Two towns in the northeastern state of Bahia now have safe drinking water piped directly into homes. No longer do women and children have to carry heavy cans of water on their heads for a mile or two each day.

The water project was begun and directed by missionary Danny Callis in Tojuca, which has some 5,000 residents, and a smaller town, Cachoeirinha, a mile away. Callis, of Fuquay-Varina, N.C., directs the state Baptist camp located near Tojuca.

Providing pure water for towns in drought-stricken areas of northeastern Brazil often is the best way to alleviate hunger and sickness, said Callis. The camp also needed clean water.

The project included construction of a pumping station, water treatment plant, storage tank and pipes running to each house in the community and the camp. The state government performed a map survey of the community without charge and agreed to split the cost of the rest of the project with the Southern Baptist Foreign Mission Board.

Brazilian Baptists from Salvador, the state capital, formed an administrative team to oversee the construction, material purchasing and finances.

Since many families in the two towns could not afford connection to the water system, an agreement was made to allow free hookup for each family which dug at least 60 feet of ditches for the pipes. Men, women and children participated in the ditch digging.

The estimated project cost was cut in half through community participation and careful purchase of supplies. Southern Baptist expenses totaled about \$70,000 in hunger relief funds. Surplus funds were returned to the Foreign Mission Board.

Health in the two towns has improved since contaminated water is not being consumed, missionaries reported. The price of land has increased and construction is on the rise.

After the work was done, the local Baptist congregation started growing, and the "entire community is an open door for the gospel because Baptists have shown that they care," said missionary Glenda Miller.

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Baptist Hospital  
Expands In Paraguay

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ASUNCION, Paraguay (BP)—A new \$550,000 wing is being added to Baptist Hospital in Asuncion, Paraguay, an institution which has won much respect for Baptists in the country.

The hospital is financing expansion through a \$437,535 interest-free loan and a \$112,464 gift from the Southern Baptist Foreign Mission Board. The loan is to be paid back within 10 years.

Much of the money for the new wing came from Southern Baptists' Bold Mission Thrust capital funds; other funds were provided through gifts to the Lottie Moon Christmas Offering.

The expansion will help improve the hospital's financial base because the new wing will result in higher patient occupancy, especially in private rooms.

Most of the doctors, nurses and staff at the hospital are Baptist Christians. The message of Christ is shared with patients at every opportunity, said Bill Damon, the Foreign Mission Board's associate director for eastern South America. A chaplaincy program is maintained at the hospital, and services are conducted daily in the chapel.

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"People have an excellent concept of who Baptists are as a result of the hospital's work," Damon said.

Veteran missionary William Skinner, a doctor and one of several Southern Baptist missionaries working at the hospital, operates a mobile clinic. The clinic travels to remote areas and ministers to the physical needs of people. "They also present the claims of Christ," Damon explained.

Dedication of the new hospital wing is scheduled for early September.

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Southwestern Seminary  
Meets Mabee Challenge

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FORT WORTH, Texas (BP)—Southwestern Baptist Theological Seminary has met a financial challenge but now faces a physical one.

The seminary has met a challenge from the Mabee Foundation of Tulsa, Okla., to provide funding for renovation of Scarborough Hall. Now construction crews are scurrying to complete one floor of classrooms and another wing of offices in time for fall classes Sept. 1.

The Mabee Foundation had issued the challenge last November. Southwestern had to raise \$1.2 million toward the project for the foundation to contribute \$500,000. Renovation of Scarborough Hall is one project in Upward 90, Southwestern's five-year, \$50 million development campaign.

Foundation trustee John Cox of Fort Worth, Texas, presented President Russell H. Dilday with the \$500,000 check at a recent luncheon.

Scarborough Hall houses classrooms and offices for the school of theology, the president's office, business affairs suite and registrar's office. It is the west wing of the B.H. Carroll Memorial Building.

Renovation will be done in phases through 1988 to avoid disrupting classes.

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(Photo mailed to state Baptist newspapers by Southwestern Seminary.)

Part Of SBC Offering  
To Aid Atlanta's Poor

By David Wilkinson

Baptist Press  
6/25/86

ATLANTA (BP)—The pastor who suggested the idea hopes the world hunger offering taken at the 1986 Southern Baptist Convention means Baptists "will leave something in Atlanta besides a bad name for all our squabbling."

Messengers gave \$28,753 to the offering taken on the second evening of the June convention in response to a motion by Charles Chilton, pastor of Grace Baptist Church in Dumfries, Va..

As recommended by Chilton, 20 percent of the contributions will be distributed through Atlanta Baptist Association "for the poor and homeless of Atlanta." The rest will be divided 60 percent to the Southern Baptist Foreign Mission Board and 20 percent to the Southern Baptist Home Mission Board for hunger relief.

Last year, in response to a similar motion, SBC messengers in Dallas gave more than \$77,000 to a hunger relief offering.

Chilton said he decided to recommend an offering that would include the poor and hungry of the host city after preaching in an Atlanta church on Sunday before the convention. He learned from a church member a homeless woman had been living for months in a car in the church parking lot.

Chilton, a former Southern Baptist missionary to the Philippines, has been concerned about world hunger throughout his ministry. "You can't ignore the issue after watching people eat out of your garbage cans," he says.

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Referring to the amount of the offering, Chilton notes the offering timing and the convention atmosphere may have contributed to the poor showing compared to last year.

"I wish someone could have addressed the need for the offering and explained the reason for including a percentage for hunger ministry in the Atlanta area," he says. "Maybe that would have made a difference."

Another factor for the smaller offering, he suggests, was the offering was taken after a business session "when people weren't in a very good mood" rather than after the Foreign Mission Board's report as he had recommended.

At any rate, an offering for the homeless and the hungry ought to be something every Southern Baptist could support, Chilton says. "If we cared more about some of the real issues of life, maybe we wouldn't be so caught up in splitting theological hairs."

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Morton Rose Joins  
Midwestern Faculty

Baptist Press  
6/25/86

KANSAS CITY, Mo. (BP)—Morton F. Rose, vice-president in the office of church programs and services at the Southern Baptist Sunday School Board in Nashville, Tenn., has been named visiting professor of church administration at Midwestern Baptist Theological Seminary for the 1986-87 academic year.

Rose will retire from duties at the Sunday School Board Oct. 1. That month he will assume teaching responsibilities in church administration and religious education at Midwestern.

At the board, Rose has been director of corporate planning, assistant division director and education division program design coordinator. He also has been interim pastor at seven churches in the Nashville area. Before going to the board, Rose was on the state missions staff in Missouri for three years. He has been a Missouri director of missions and was pastor of churches in Missouri, Kentucky and Oklahoma. While in the U.S. Navy, he was a chaplain's assistant.

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Arkansas Couple Honors Son  
By Endowing Seminary Chair

Baptist Press  
6/25/86

LOUISVILLE, Ky. (BP)—Mr. and Mrs. Hill Williams of Fort Smith, Ark., have committed \$500,000 to establish an endowed professorship at Southern Baptist Theological Seminary in Louisville, Ky.

The Donald L. Williams Chair of Old Testament Interpretations will recognize the Williams' son, who taught at Southern Seminary from 1961 until his death in 1983 from cancer.

The gift was announced by Southern President Roy L. Honeycutt during the seminary's recent National Alumni Reunion.

Prior to joining the Old Testament faculty at Southern Seminary, Williams was an assistant in the English department at Baylor University and an instructor in the religion department at Duke University.

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