

GENERAL ASSEMBLY OF NORTH CAROLINA
1985 SESSION

CHAPTER 394
HOUSE BILL 300

AN ACT TO PERMIT ORDAINED OR LICENSED CLERGYMEN TO BE
CONSIDERED SELF-EMPLOYED FOR TAX WITHHOLDING PURPOSES
INSTEAD OF AN EMPLOYEE OF A CHURCH.

The General Assembly of North Carolina enacts:

Section 1. G.S. 105-163.1(4) is amended by adding a new sentence at the end of that subdivision to read:

"The term does not include an ordained or licensed clergyman who elects to be considered self-employed under G.S. 105-163.1A."

Sec. 2. Article 4A of Chapter 105 of the General Statutes is amended by inserting a new section between G.S. 105-163.1 and G.S. 105-163.2 to read:

"§ 105-163.1A. Ordained or licensed clergyman may elect to be considered self-employed. – An ordained or licensed clergyman who performs services for a church of any religious denomination may file an election with the Secretary and the church he serves to be considered self-employed instead of an employee of the church. Wages paid by a church to a clergyman who elects to be considered self-employed are not subject to withholding. A church shall withhold taxes from a clergyman's wages until the clergyman files an election with it under this section."

Sec. 3. This act is effective upon ratification.

In the General Assembly read three times and ratified, this the 14th day of June, 1985.