**Licensing**

**Minnesota**

*Why*

Licensing is a civil recognition of an individual who serves vocationally in some form of church ministry. This recognition is important for a minister who seeks to perform marriage ceremonies as well as claiming the tax considerations given to clergy

*Who*

Before a church grants a license, they should develop policies to establish and guide their licensing procedures. A part of this should include who the church will seek to license. This could include:

* Those preparing for a career as a pastor or missionary and are involved in the ministries of the church while they are in the process of gaining a pastoral degree.
* Those pastors, directors, and administrators currently involved in the ministry of the church.
* It should be decided by policy guidelines for necessary education, theological knowledge, or ministry function in the church.
* Should there be a specific time period for the license depending on the situation?

The IRS does not concern itself with the question of “who may be licensed?” But they have determined specific criteria of a standard to be met by an individual who is licensed and claims the housing allowance tax consideration given to ministers. The 1997 Income Tax Guide states: “ministers are individuals who are duly ordained, commissioned, or licensed by a religious body constituting a church or church denomination. They are given the authority to conduct religious worship, perform sacerdotal functions and administer ordinances or sacraments according to the prescribed tenets of practices of that church or denomination.”

Dr. Richard Hammar is an attorney, CPA, and best-selling author specializing in legal and tax issues for churches and clergy. In asking “who is a minister for tax purposes,” he points to a tax court ruling from 1987 that a minister is one who satisfies all five of the following factors:

1. Administers sacraments
2. Conducts religious worship
3. Management responsibility in a local church or religious denomination
4. Ordained, commissioned, or licensed
5. Considered to be a religious leader by one’s church or denomination.

A church should carefully review why it is granting a ministerial license as well as who is being considered in an order to meet the government’s requirements for ministerial tax consideration. With tax laws and codes constantly changing, you are encouraged to consult with such materials put out by Dr. Hammar. These resources can be found at [www.churchlawandtax.com](http://www.churchlawandtax.com)

*How*

The procedure for licensing in Minnesota is as follows:

1. The board should take action and approve the licensing of the individual, this decision then becomes a part of the board minutes.
2. An official of the church writes a letter on church letterhead, stating the individual has been approved to be licensed by the church. A church designed certificate can also be presented to the individual.
3. The individual takes the letter or certificate to be filed with the clerk of the district court in the county in which the church is located.
4. There is a small fee for this service payable to the county.
5. The county issues a Certificate of Filing for the pastor.

Each county may use different offices or terms for this process. We suggest calling or visiting your county’s webpage to help you navigate this filing process.

***Iowa***

Licensing buy the government in Iowa is not necessary. It is done through the church and used only for church purposes.