

## MATTERS PERTAINING TO PRIESTS/SEMINARIANS

### XVI. Priests as Dual Status Taxpayers

- A. All priests that are incardinated in the Diocese of Crookston (secular priests) are considered by the IRS to be self-employed for purposes of paying Social Security Tax on their ministerial earnings. Parishes and other public juridical persons of the diocese are not to withhold and match the Social Security FICA tax.
- B. All priests that are incardinated in the Diocese of Crookston are considered to be employees for income tax purposes on their ministerial earnings. Therefore, a W-2 must be issued to the priest on his ministerial earnings by the parish or other public juridical person prior to January 31 of each year.
- C. Priests are exempt from payroll withholding of taxes and parishes should not withhold either federal or state taxes from the priest's check. A priest may, at his option, request payroll tax withholding. In this case, and in this case only, a parish should withhold taxes based on information provided by the priest on a W-4. If a priest does not request payroll tax withholding, he is responsible for making appropriate quarterly estimated tax payments for both federal and state taxes.
- D. This policy is effective beginning with the tax year 1995.