UNITED STATES COURT OF APPEALS FOR THE FOURTH CIRCUIT

Frank T. Olsen and Lois E. Olsen v. Commissioner of Internal Revenue

709 F.2d 278 (4th Cir. 1983) · No. No. 82-1836 · Decided June 9, 1983

SUMMARY

The Fourth Circuit affirmed the Tax Court's decision upholding self-employment tax deficiencies assessed against a Baptist minister for 1976 and 1977. The court held that applying the tax did not violate the minister's free-exercise rights and that denying him a second opportunity to apply for an exemption under 26 U.S.C. § 1402(e), unlike the provision available under § 1402(g), did not violate due process or equal protection.

CASE DETAILS

COURT	United States Court of Appeals for the Fourth Circuit
WRITING FOR THE COURT	Harrison L. Winter; Harrison L. Winter, Chief Judge; Ervin, Circuit Judge; Bailey Aldrich, Senior Circuit Judge, sitting by designation
JURISDICTION	Federal
DECIDED	June 9, 1983
DOCKET	No. 82-1836
PROCEDURAL POSTURE	Frank Olsen appealed the United States Tax Court's decision upholding federal self-employment tax deficiencies assessed on his ministerial income for 1976 and 1977.
STANDARD OF REVIEW	The court reviewed the Tax Court's legal and constitutional conclusions concerning the validity of the self-employment tax and the statutory exemption deadlines.
PARTIES	Frank T. Olsen, Lois E. Olsen v. Commissioner of Internal Revenue

QUESTIONS PRESENTED

1. Whether applying the self-employment tax to Olsen's ministerial income violated his First Amendment right to the free exercise of religion.
2. Whether denying Olsen a second opportunity to apply for an exemption under 26 U.S.C. § 1402(e), when a second-chance provision existed under § 1402(g) for members of certain religious sects, violated due process or equal protection.

HOLDINGS

1. Applying the self-employment tax to Olsen's ministerial income did not violate the Free Exercise Clause, even assuming that payment of the tax burdened his sincerely held religious beliefs.
2. The differing application deadlines and second-chance provision for exemptions under 26 U.S.C. § 1402(g), as compared with

FACTUAL BACKGROUND

Frank Olsen was ordained as a Baptist minister in 1968 and thereafter worked as a teacher and minister. Based on religious opposition to participation in the Social Security system, he objected to paying self-employment tax on his ministerial income. Although Internal Revenue Code § 1402(e) permitted qualifying ministers to obtain an exemption by timely application, Olsen did not apply until May 1978, after the statutory deadline applicable to him had passed.

PROCEDURAL HISTORY

The Internal Revenue Service assessed deficiencies of $660.44 for 1976 and $800.27 for 1977 after denying Olsen's application for a ministerial self-employment-tax exemption as untimely. Olsen petitioned the Tax Court for redetermination, but the Tax Court entered judgment against him on June 21, 1982. The Fourth Circuit affirmed.
