

**Submission from the USA on the
Tax Laws Amendment,
Bill 2010 - Public Benefit Test**

An Introduction

I humbly write to you from the United States. You may wonder why someone overseas would care about your bill, but it turns out that I have a stake in the outcome as well. My belief is that when a harmful group is allowed tax exemption, it can affect people not only within its home country but those in other countries as well.

For example, when such an organization is allowed a tax-free shelter on one country, it may use the accompanying money, power, and prestige as a springboard to conduct harmful actions in other countries. This is what I believe is happening in the case of the Church of Scientology as well as with other groups.

Obviously, I wouldn't presume to tell the Australians how to run their government! I just hope to share some personal experiences which give one person's perspective on the matter. Maybe some of what I say will be considered by the Committee.

Playing the "Religion" Card: Concerns about Tax Loopholes

What defines what a religion is? Where do personal beliefs end and religions begin? Does it have to do with the practices, beliefs, or number of adherents? These can be tricky questions to answer. The problem is, as things currently stand, I see little in theory that could stop a self-help business that sells books, tapes, and other materials from declaring itself a religion and gaining obvious advantages.

It is this exact process which I believe has taken place in the case of the Church of Scientology. Its central book Dianetics, by founder L. Ron Hubbard, was originally billed as a "science of mental health." But it received terrible reviews from the real scientific community [1]. Nevertheless, its quackery proved fairly popular, and soon Dianetics books, clubs, and counseling were making Hubbard a good amount of money, all under a secular front.

But Mr. Hubbard grew to realize the advantages of a religious facade. He re-labeled counselors as "ministers", began sporting pseudo-religious imagery such as Catholic-style robes and a cross, and renamed the fees as "fixed donations." Presto - a new "religion" was

born. The details of the process in which religious cloaking was applied to Scientology is very well-documented [2].

What keeps other organizations and outright quackery from repeating the process and trying to grab tax-exempt dollars? Why should not other harmful self-help groups be considered religious and tax-exempt as well? It's not as if it even requires defined religious ideas, as in the case of the Church of Scientology - one will find only vague allusions of the supernatural, as when they say a follower will "reach his own conclusions concerning the nature of God" [3].

These sort of claims - wishy-washy promises that followers will learn about God, but inability or refusal to define what that might mean - is a "religious" idea that any business or quack group can tack onto itself. Shall they all be allowed tax exemption as well?

Harmful Effects

I wish to give some examples of how a tax-exempt organization, which is considered a religion, can do real harm. My personal experiences deal with the Church of Scientology. My understanding is that a number of Australian ex-members have been speaking to their government officials for some time now, but I'd like to add a few of my own, from local soil.

I once spoke to one of the key people who helped to the Scientology organization prepare and move into its current building in my city. His parents were both in the Church of Scientology, and he was only 14 years old at the time. But he worked 40 hours a week transporting and unloading materials into the new building, as well as performing other duties. Despite not even being a legal adult at the time, he was coerced into signing a billion-year contract to work in the Sea Organization, but was moved out when the organization became scared of child labor policies.

At one point, he even ended up homeless after being essentially disowned by his parents for having doubts about Scientology. Ironically, it was a eventually a real religious organization which gave him a shelter, a start on a job, and the path to getting back on his feet.

A video copy of his story, presented simply and informally in less than 10 minutes, can be found on the internet [4].

Problems Can Come Full Circle

If a harmful group achieves tax exemption, the problem is that it can create a whole cycle of damages beyond a simple lack of proper taxation. These problems end up causing even more

damages for the public and the taxpayer. For example, here is one slice of what is said to be happening within the Church of Scientology:

- * The Scientology organization is not being classified and taxed as it should be - **this equates to a loss of taxpayer dollars.**
- * Then this power base within the Scientology organization is used to cause more harms.
- * For example, workers within it are made to labor long hours for tiny amounts of pay. [5]
- * Workers allegedly pay their daily bills and expenses by living on welfare [5] - **loss of more taxpayer dollars.**
- * Demonstrators, trying to bring light to the situation, show up at rallies. These include an increased police presence at the events - **a necessary but regretful loss of even more taxpayer dollars.**

This is just one example of how the problems can compound themselves when a harmful organization achieves tax exemption. The taxpayer ends up subsidizing all the expenses, damage, and fallout that comes along with what it performs.

Conclusion

These are some of the reasons why I believe a Public Benefit Test would be a good idea. I think such a test would help "cut through the chaff" of organizations that do not merit tax exemption and prevent the effective subsidization of potentially harmful groups. Legitimately helpful groups, whether religious or secular, would still enjoy the same benefits. I believe this would be fairer for the Australian taxpayer, the Australian people, and even people abroad.

Thank you for your time in reading to my humble opinions, sent with good spirits from the USA.

References

[1] The scathing reception that Dianetics received from the scientific community is summarized at:

http://en.wikipedia.org/wiki/Dianetics:_The_Modern_Science_of_Mental_Health#Reception

[2] Larry Brennan, working for Scientology at the time, was instrumental in creating its religious cloaking and later spoke about how it was achieved here:

<http://www.freedomofmind.com/documents/declarationLaurenceHBrennan.pdf>

[3] See, for example, some of the statements on the Church of Scientology's website:

<http://www.scientology.org/faq/scientology-beliefs-and-practices/what-is-the-concept-of-god-in-scientology.html>

[4] "Interview with a former Scientologist":

<http://www.youtube.com/watch?v=IYgyOGwTNf4>

[5] Allegations seen in media coverage of the Fair Work Ombudsman's investigation into Scientology:

<http://www.youtube.com/watch?v=zJNLRs9Ap1s>