



Shelby County Assessor of Property

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CHEYENNE JOHNSON

Assessor

Important Notice to Churches or other religious organizations regarding Inherited Property

Property that is inherited by a Church or other religious organization from one of its members, benefactors, trusts or organizations, must apply to be exempt from property taxation.

As with any other newly acquired property, a Church or other religious organization must apply for property tax exemption for any inherited property. To qualify for exempt status, the property must be used actively for religious purposes.

Before agreeing to accept inherited property, the Church or other religious organization should consider the possible uses that qualify as “religious purposes.” For example, a vacant lot could be used for extra parking or a playground. A single-family residence or duplex could be used as classrooms or for other religious activities.

Even if the Church or other religious organization determines that the property can be used for qualified religious purposes, it must also weigh the market value of the property against any outstanding property taxes owed to any taxing authority such as the City of Memphis Treasury, (or other municipalities), and the Shelby County Trustee. Property taxes that existed prior to the organization receiving the property cannot be waived, even if the State Board of Equalization ultimately grants an exemption effective on the date of acquisition.

Upon accepting the inherited property, the Church or other religious organization must identify a supportable, active use for the property and immediately apply to the State Board of Equalization to initiate the property tax exemption process.