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KYRGYZSTAN: Massive tax bill aimed at "crushing" Church?

By Igor Rotar, Forum 18

The appeal to the Ministry of Finance from the Pentecostal Church of Jesus Christ against what it claimed was an unjust tax demand for 110,000 US dollars was rejected on 15 August. "The taxes are simply a means of crushing the church," senior pastor Vasili Kuzin told Forum 18 News Service. Kyrgyzstan's tax code exempts charitable bodies from tax, while the religion law prescribes taxes only on religious organisations' business activities. "It is true that the activity of religious organisations is not subject to taxation, and if the situation is indeed as you say, then the tax inspectorate is breaking the law," Natalya Shadrova of the Committee for Religious Affairs told Forum 18.

Members of the Pentecostal Church of Jesus Christ have complained that a massive tax bill presented to the Church violates Kyrgyzstan's constitution and the country's religion law. "The taxes are simply a means of crushing the church," Vasili Kuzin, senior pastor of the Church of Jesus Christ, told Forum 18 News Service from the capital Bishkek on 20 August. "If we do not pay 110,000 US dollars the authorities intend to take the church building from us in place of the money and close down the church!" A senior official of the government's Committee for Religious Affairs told Forum 18 that Church members should come to them to resolve the issue.

The tax inspectorate in Bishkek's Oktyabr district is demanding that the head office of the Church of Jesus Christ, which is based there, should pay taxes along with penalties and fines for non-payment of taxes totalling 4,822,839 sums (825,000 Norwegian kroner, 100,000 Euros or 110,000 US dollars), missionary Alina Shvidko told Forum 18 on 20 August from Karakol in eastern Kyrgyzstan. She said the Church had appealed to the Finance Ministry against the decision, but on 15 August it upheld the Oktyabr district tax inspectorate's decision. "They don't want to give any explanations for their decision," she added.

Shvidko argued that the tax inspectorate's decision went not only against the constitution and the religion law, but also against Article 112 of the Tax Code, which states: "Non-profit social organisations involved in charitable activity are free from taxation". However, Article 20 of the religion law specifies that "profits from industrial, economic or other income to businesses belonging to religious organisations are subject to taxation in accordance with laws of the Kyrgyz Republic". But Shvidko insists that the Church has not been engaged in economic activity and that the tax inspectorate is insisting that it pay tax on members' donations.

"You need to understand that in Kyrgyzstan laws are written for foreigners to read, while in fact the authorities have no intention of acting on them!" Pastor Kuzin told Forum 18.

"It is true that the activity of religious organisations is not subject to taxation, and if the situation is indeed as you say, then the tax inspectorate is breaking the law," Natalya Shadrova, deputy chair of the Committee for Religious Affairs, told Forum 18 from Bishkek. She agreed that 110,000 US dollars is a "huge sum of money" for Kyrgyzstan. "Let the members of the Church of Jesus Christ appeal to us and we will try to help them. We have already helped to resolve a dispute between the Baptists and the tax inspectorate."

The Church of Jesus Christ claims to be one of the fastest growing Protestant Churches in Kyrgyzstan, with around 9,500 members and some 30 affiliate churches in various parts of the country. Around 30 per cent of the church's members are ethnic Kyrgyz. Pastor Kuzin believes that the high proportion of ethnic Kyrgyz - who are historically Muslims - in the Church's membership is the main reason for the authorities' opposition to the Church's activity.

At the end of June, nearly all the Church's members sent an open letter to President Askar Akayev vowing to seek asylum abroad if pressure on the Church was not ended. They complained of "economic pressure" and the government's use of agents "trying to destroy the church from within". Several of the Church's local congregations have been denied registration and have been ordered to close down (see F18News 17 July 2003).

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