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In NCLA Amicus Win, Wisconsin Supreme Court Finds Catholic Charities Eligible for Tax Exemption

Catholic Charities Bureau, Inc., et al. v. State of Wisconsin Labor and Industry Review Commission, State of Wisconsin Department of Workforce Development

Washington, DC (December 15, 2025) – The Wisconsin Supreme Court [ruled](#) today in *Catholic Charities Bureau v. Wisconsin Labor and Industry Review Commission* that the Catholic Charities Bureau and its subsidiaries (“the Charities”) are eligible for exemption from payroll taxes on unemployment compensation. As the New Civil Liberties Alliance had recommended in an *amicus curiae* [brief](#) calling for this result, the Wisconsin Supreme Court recognized that its previous decision to deny the Charities the exemption was denominational discrimination under the U.S. Supreme Court’s unanimous June [decision](#) in the case. NCLA celebrates this major victory for religious freedom and the constitutional order.

The statutory exemption at issue applies to organizations “operated primarily for religious purposes and operated, supervised, controlled or principally supported by a church...”. The Wisconsin Supreme Court previously held that churches do not operate organizations for a primarily religious purpose unless “both the motivations and the activities of the organization” are religious. Remarkably, it said this disqualified the Charities because they do not proselytize when providing critical assistance to the needy. The U.S. Supreme Court unanimously rejected that ruling, identifying the matter as a “paradigmatic form of denominational discrimination.”

On remand, the State insisted that the proper remedy for its unconstitutional behavior was not to put an end to the discrimination, but instead to end the tax exemption for all organizations that are operated by churches for a religious purpose. That would have violated the Wisconsin Constitution’s separation of powers by striking down a facially valid tax exemption and imposing new tax liabilities on institutions all over the state. The Wisconsin Supreme Court has now denied that requested “fix” and ordered an end to this discrimination against Catholicism, so the Charities will have access to the tax exemption on the same ground as all other denominations.

NCLA released the following statement:

“Shame on Attorney General Kaul for trying to get out of extending the legislature’s valid unemployment tax exemption at issue by seeking to deny it to all organizations operated by churches primarily for religious purposes instead of allowing the Catholic Charities Bureau to claim it. Congratulations to our friends at Becket for prevailing in this important religious liberties case.”

— **Mark Chenoweth, President, NCLA**

For more information visit the *amicus* page [here](#).

ABOUT NCLA

[NCLA](#) is a nonpartisan, nonprofit civil rights group founded by prominent legal scholar [Philip Hamburger](#) to protect constitutional freedoms from violations by the Administrative State. NCLA’s public-interest litigation and

other pro bono advocacy strive to tame the unlawful power of state and federal agencies and to foster a new civil liberties movement that will help restore Americans' fundamental rights.

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