



May 6, 2021

Rep. Paul Marquart
597 State Office Building
St. Paul, MN 55155

Senator Carla Nelson
Minnesota Senate Building, Room 3235
St. Paul, MN 55155

Dear Members of Tax Conference Committee,

The Minnesota Council of Nonprofits (MCN) is the largest statewide association of nonprofits in the country, representing over 2,200 member organizations across the state. Through MCN, nonprofits join together across interest areas to work on issues of common interest to all. MCN works to inform, promote, connect, and strengthen individual nonprofits and the nonprofit sector.

We are writing today requesting your support for HF1716, authored by Rep. Erin Koegel, by including this provision in the Senate Taxes Conference Committee omnibus bill. The [language is found](#) on page 7, bottom right side of page, Article 2, Section 4. The bill creates a state income tax subtraction for volunteers who receive more than \$600 per year in mileage reimbursement and who are issued a Form 1099 - Miscellaneous Income. This legislation would alleviate problems facing volunteer drivers who provide a vital service to help older adults and others who do not drive to get to medical appointments, shop for household goods, and conduct essential business in their communities.

Volunteer drivers are a foundational element in rural Minnesota transportation and have supplemented rural public transit programs for decades. Nonprofits utilize volunteer drivers in many ways, most notably to take individuals to and from medical or other appointments. This is the best solution currently available for transit systems in small Minnesota towns that are often located 30 miles or more from regional hubs, and in particular, specialized medical care.

Communities across the state have lost volunteer drivers. Nonprofit and public transportation providers are finding it increasingly difficult to recruit and retain volunteer drivers in recent years. Volunteers must pay income tax on any mileage reimbursement over the low IRS 14 cents/mile volunteer reimbursement rate when the total reimbursement exceeds \$600 a year.

In fact, a 2019 survey by the Volunteer Driver Coalition in Minnesota shows that these organizations served 77,474 people in 2018, driving more than 9.5 million miles. We cannot afford to lose any of the 1,959 volunteer drivers who in 2018 helped older adults and adults with disabilities access medical care and engage in the community. Certainly, we do not want to penalize them financially. Rather, we need to support volunteer drivers and increase their numbers to meet the needs of a rapidly growing older population.

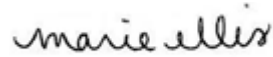
We urge you to include HF1716, authored by Rep. Erin Koegel, in the Senate Taxes Conference Committee omnibus bill. The [language is found](#) on page 7, bottom right side of page, Article 2, Section 4.

If you have any questions, please contact Ileana Mejia, public policy advocate, at the Minnesota Council of Nonprofits at 717-217-9997 or imejia@minnesotanonprofits.org. Thank you for your continuing partnership as we work together to serve the communities of Minnesota.

Sincerely,



Ileana Mejia
Public Policy Advocate



Marie Ellis
Public Policy Director

CC: Speaker Melissa Hortman
House Majority Leader Ryan Winkler
House Minority Leader Kurt Daudt
Senate Majority Leader Paul Gazelka
Senate Minority Leader Susan Kent