

Subject Income tax subtraction for volunteer driver mileage reimbursement

Authors Lislegard and others

Analyst Sean Williams

Date March 6, 2020

Summary

Under current law, charitable organizations can reimburse volunteers for miles driven at a rate of 14 cents per mile, and the reimbursement is excluded from gross income. That amount is set in federal law, and does not change over time. Charitable organizations that reimburse drivers in excess of 14 cents per mile must issue their drivers a 1099-MISC form for the income, if the driver was reimbursed in excess of \$600 during the calendar year.

H.F. 3983 allows an individual income tax subtraction for reimbursement by a charitable organization that is in excess of the 14 cent rate, but below the standard rate for businesses. In 2020, the standard rate for business use is 57.5 cents per mile—that amount is adjusted each year.