



## Volunteer Mileage Relief

Many charitable nonprofits rely on volunteers to deliver vital services to their communities. Yet, the number of people volunteering has not returned to pre-pandemic levels at many organizations. Volunteers point to high gas prices, poor tax incentives, and health and safety concerns as main reasons they have stopped donating their needed time and talent to helping others. In particular, gas prices directly affect the ability of volunteer drivers to provide essential services, such as meal delivery and access to healthcare, on behalf of charitable nonprofits. The impact is felt even more acutely in rural communities and transit deserts where drive times to provide services are longer.

Congress can promote volunteerism by raising the volunteer mileage rate and correcting tax treatment of reimbursements.

**The Challenge:** Driving by volunteers on behalf of nonprofits during the pandemic fell dramatically due to safety concerns and costs. The rate of individuals who volunteer their time declined from 65% in 2013 to 58% in 2020. In 2021, the rate fell to 56%.

Congress established a volunteer mileage rate of 14 cents per mile when the average cost of gasoline was \$1.23. The rate has not been updated since 1997. In just the past three years, the price of a gallon of gas has increased dramatically – up from \$2.41 on March 1, 2020 to \$3.54 on May 22, 2023.

Meanwhile, volunteers who perform work on behalf of nonprofits are **restricted to deducting** only 14 cents per mile. Additionally, federal and North Carolina laws require volunteer drivers to **pay income taxes on expense reimbursements** from nonprofits that exceed the volunteer mileage rate. This means that if nonprofits – to attract and keep volunteer drivers – offer to reimburse them for mileage at the standard business rate (currently 65.5 cents/mile), drivers can be taxed on the 51.5

### Legislative Solution

#### Volunteer Driver Tax Appreciation Act of 2022 ([H.R. 3032](#))

- Increases the Volunteer Mileage Rate for nonprofit volunteer drivers delivering people or products on behalf of nonprofits to the business rate.
- Eliminates taxation of mileage reimbursements up to the business rate.

cents/mile above the 14 cents/mile they could otherwise deduct.

**Legislative Solution:** The [Volunteer Driver Tax Appreciation Act of 2023](#) ([H.R. 3032](#)), introduced by Rep. Stauber (R-MN) and Rep. Craig (D-MN), would raise the volunteer mileage rate from 14 cents per mile to the standard business rate for volunteers who drive their vehicles on behalf of charitable nonprofits to transport property or individuals. This would provide a needed incentive for volunteer drivers to return to assisting their fellow residents at less personal cost. The bill would also effectively eliminate the income tax on mileage reimbursements up to the business rate, saving volunteers money and making tax filings easier. Nonprofits would not be required to reimburse volunteer drivers.

These simple changes would provide needed financial relief to volunteers by defraying one of the biggest costs associated with volunteering.

### The Ask

Will you cosponsor the **Volunteer Driver Tax Appreciation Act of 2023** ([H.R. 3032](#)) and urge leaders to include it in legislation moving through Congress?