

When A Minister Owns Or Rents His/Her Own Home

The chairman informed the meeting that under the tax law, a minister of the Gospel is not subject to federal income tax on “the parsonage allowance paid to him as part of his compensation to the extent used by him to rent or provide a home.”

After considering the estimate of Rev. _____ of his home expenses, a motion was made by _____, seconded by _____ and passed to adopt the following resolution:

Resolved that of the total cash salary for the remainder of _____, \$_____ is hereby designated as parsonage allowance.

For the Church Boards Information

Four Primary Requirements of Ministerial Housing Allowance Exclusions

1. Available only to a “minister of the gospel” – Ministerial Status Requirement
2. Allowance must be compensation for services which are ordinarily the duties of a minister of the gospel – Ministerial Services Requirement
3. Housing allowance must be designated by the employing organization – Designation Requirement
4. Housing allowance must be used for expenses of maintaining a home – Housing Expenses Requirement

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