

Charitable Mileage Relief

Many charitable nonprofits rely on volunteers to deliver vital services in their communities. Yet, the number of people volunteering has not returned to pre-pandemic levels at many organizations. Volunteers point to high gas prices and poor tax incentives as main reasons they have stopped donating their needed time and talent to helping others. The impact is felt most acutely in rural communities and transit deserts where drive times to provide services are longer.

Congress can promote volunteerism and service in communities by raising the charitable mileage rate and correcting tax treatment of reimbursements.

The Challenge

The rate of individuals who volunteer their time has been declining since 2013 with a decrease from 65% in 2013 to 56% in 2021.¹

Congress established a volunteer, or charitable, mileage rate of 14 cents per mile in 1997 when the average cost of gasoline was \$1.23. In just the past three years, the price of a gallon of gas has risen dramatically – up from \$2.41 on Mar. 1, 2020, to \$3.58 on October 18, 2023.²

Meanwhile, volunteers who perform work on behalf of nonprofits are **restricted to deducting** only 14 **cents per mile** if they claim itemized deductions on their income tax returns. Also, federal and some state laws require volunteer drivers to **pay income taxes on expense reimbursements** from nonprofits that exceed the charitable 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 2023

([H.R. 3032/S. 3020](#))

- Increases the Charitable Mileage Rate for nonprofit volunteer drivers delivering people or products on behalf of nonprofits to the standard business rate, currently set at \$65.5/mile.
- 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/S. 3020](#)) would raise the charitable 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 standard business rate. Nonprofits would not be required under the legislation to reimburse volunteer drivers.

The Ask

Will you cosponsor the **Volunteer Driver Tax Appreciation Act of 2023** ([H.R. 7432/S. 3020](#)) and urge leaders to include it in legislation moving through Congress?

¹ [U.S. Charitable Donations Rebound; Volunteering Still Down](#), Jeffrey M. Jones, *Gallup*, Jan. 11, 2022.

² [National Average Gas Prices](#), American Automobile Association, Oct. 18, 2023.