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Petri introduces charity tax cut

Rep. Tom Petri, R-Fond du Lac, introduced legislation Thursday to cut taxes on people who drive their cars in the course of charitable work.

"The legislation I'm introducing today would correct a great injustice," Petri said in a press release announcing the bill. "Currently, if you volunteer and drive your car to deliver Meals-On-Wheels or take someone to the hospital or to a doctor's appointment or whatever as part of a charitable enterprise, you can only be reimbursed at the rate of 14 cents a mile. If you are reimbursed more than that, it's subject to tax as taxable income. If, on the other hand, you are working for a business and you use your car on a business mission, the employer can reimburse you 55 cents a mile, and it's not subject to tax.

"I think that's discriminatory and unfair," he said. "It discourages volunteer activity. And that's why my legislation would provide that when people do charitable work, they are treated the same as

when they are working for profit."

Petri further explained that the charitable tax treatment provided by his Charitable Driving Tax Relief Act is justified because the point of the payment is essentially the same, that is, to cover the cost of operating a personal vehicle while performing an important service in the pursuit of a greater good.

Additionally, this bill would drop the requirement that charitable groups report these reimbursements to the IRS, removing an administrative and paperwork burden that detracts resources from their larger purpose.

At the end of the 110th Congress, the House passed legislation that included a limited correction for this disparate treatment, but the Senate failed to include the provision in its version of the bill. Petri said that while this was disappointing, the House had made progress on this issue, one which has "flown under the radar" for several years.