

Petri lauds gain for charities

WASHINGTON -- Rep. Tom Petri applauded House passage Wednesday of the Disaster Tax Relief Act, which includes a temporary increase in the standard mileage rate for charitable driving.

"When you drive your personal vehicle on a business errand, your employer can reimburse you for that expense at the rate of 58.5 cents per mile," Petri said. "If you drive your car to deliver Meals-On-Wheels to an elderly neighbor or do some other charitable work, the charity can reimburse you, but if they reimburse you that same 58.5 cents, all but 14 cents will be taxed as income."

"I think that's discriminatory and unfair," he said.

In March 2007, Petri introduced legislation to equalize the tax treatment of charitable reimbursements and business driving.

"I'm glad to see that they acted," he said, adding that House passage of the Disaster Tax Relief Act is a step forward as it includes a provision authorizing the Internal Revenue Service to increase the charitable rate to an appropriate level, but in any case no less than the 27 cents per mile allowed for medical transportation.

If agreed to by the Senate, the provision would be in effect for drivers beginning in 2009 and through 2011.