



December 1, 2022

The Honorable Ron Wyden
Chair
Committee on Finance
U.S. Senate
Washington, D.C. 20510

The Honorable Mike Crapo
Ranking Member
Committee on Finance
U.S. Senate
Washington, D.C. 20510

RE: Urgent Need to Raise the Charitable Mileage Rate

Dear Chair Wyden and Ranking Member Crapo:

Earlier this year, more than 1,700 organizations from all 50 states wrote to Congress urging [Pandemic and Workforce Shortage Relief for Charitable Nonprofits](#). Among the priorities in that letter is the urgent need for a legislative solution to address severe tax-law challenges that discourage volunteers from supporting the vital work of local charitable organizations. Specifically, we ask the Committee on Finance to advance legislation, such as S. 4691, the Volunteer Driver Tax Parity Act of 2022, to increase the charitable mileage rate.

The value of a [volunteer hour is estimated at \\$29.95](#), saving significant dollars for the nonprofit sector, and allowing charitable organizations across the country to deliver crucial services in their communities. Yet, the number of people volunteering has not returned to pre-pandemic levels. The rate of individuals who volunteer their time decreased to 58% in 2020, [according to the Gallup organization](#), and in 2021, the rate fell further to 56%.

Volunteers point to high gas prices and poor tax incentives as among the 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 help charitable nonprofits provide essential services to the public, such as meal delivery and access to healthcare. The impact is felt even more acutely in rural communities and transit deserts where drive times – and gas consumption – to provide services are higher.

Many Meals on Wheels volunteers are seniors on fixed incomes themselves, who are unable to shoulder the rising costs of fuel and/or general maintenance, and as such are often forced to either reduce the number of days they can deliver meals or suspend their volunteer service altogether. Volunteers are the foundation of Meals on Wheels and other community-based programs nationwide. It is critical to increase the charitable mileage rate to recruit, retain, and support these individuals.

Volunteers who perform work on behalf of nonprofits are restricted to deducting only 14 cents per mile. Since 1997, the business mileage rate has steadily increased to 62.5 cents per mile while the nonprofit rate has not budged. When Congress set the charitable mileage rate back in 1997, the price of a gallon of gasoline was \$1.23. In just the past two years, the price of a gallon of gasoline has risen dramatically – up from \$2.41 on March 1, 2020, to \$4.67 on June 1, 2022, before receding to \$3.71 as of November 18, 2022 (see [AAA Gas Prices](#)).

Nonprofit Letter on Charitable Mileage Rate

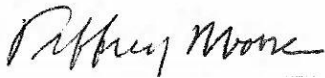
December 1, 2022

Page 2 of 2

Making matters worse, federal and some state laws actually *penalize* some volunteer drivers. If a nonprofit reimburses volunteers for their mileage, those laws mandate that the volunteers pay income taxes on mileage 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 62.5 cents per mile), drivers can be taxed on the 48.5 cents per mile above the 14 cents per mile they could otherwise deduct. Ensuring equitable charitable and standard business rates will avoid this problem of penalizing volunteers for their service.

The very low charitable mileage rate in the tax code does little to encourage volunteerism. Taxing mileage reimbursements effectively undercuts the ability of charitable organizations to attract volunteers. We urge the Committee to advance legislation to immediately raise the charitable mileage rate to the standard business rate.

Sincerely,



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