

# Sample Minister's Housing Allowance Notification Form

## Church Name

To: \_\_\_\_\_ (Minister's Name)

Date: \_\_\_\_\_

This is to advise you that at the business meeting of \_\_\_\_\_ Baptist Church held on \_\_\_\_\_, \_\_\_\_\_, your housing allowance for the year \_\_\_\_\_ was officially designated and fixed in the amount of \$ \_\_\_\_\_. Accordingly, \$ \_\_\_\_\_ of the total compensation paid to you during the year \_\_\_\_\_ will constitute your housing allowance. This amount will also apply to all future years until changed by further church action.

**If a parsonage is provided, add:**

You will also have rent free use of the home located at \_\_\_\_\_ for the year \_\_\_\_\_. The estimated annual Fair Rental of this home is \$ \_\_\_\_\_.

**If utilities are also paid directly by the church, add:**

Utilities for this home will be paid by the church with an estimated annual cost of \$ \_\_\_\_\_.

**If only some utilities are paid by the church, specify which utilities are to be paid by the church and which utilities are to be paid by the minister and included as part of their housing allowance.**

Under section 107 of the Internal Revenue Code an ordained minister of the gospel is allowed to exclude from gross income (in computing federal income taxes) the housing allowance paid as part of ministerial compensation to the extent used to provide a home. The minister may also exclude the value of a home provided rent-free for the minister's use and the cost of utilities paid by the church for that home. (This exclusion from taxable income does NOT apply in calculating self-employment social security tax.)

You should keep an accurate record of your housing expenses to provide proof of any amounts excluded from gross income in filing your federal income taxes. Amounts not used for qualified housing expense should be reported by you as additional taxable income.

Sincerely,

\_\_\_\_\_  
(Clerk's Signature)