

The Honorable Pete Stauber
United States House of Representatives
Washington, DC 20515

**RE: Charitable Nonprofit Endorsement of the
Volunteer Driver Tax Appreciation Act of 2023**

Dear Representative Stauber:

The undersigned charitable nonprofit organizations enthusiastically endorse your important legislation, the **Volunteer Driver Tax Appreciation Act of 2023**. Your bill addresses a severe tax-law challenge that discourages volunteers from supporting the vital work of local charitable organizations. This legislation is targeted, timely, and urgently needed to help volunteers and charitable organizations serve their communities.

Many charitable nonprofits rely on volunteers to deliver vital services in their local 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. 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.

Under current law, volunteers who drive their vehicles when performing work on behalf of a charitable nonprofit are restricted to deducting only 14 cents per mile. Congress set the charitable mileage rate back in 1997 when the price of gas 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 \$4.67 on June 1, 2022, before receding to \$3.66 as of April 25, 2023 (see [AAA Gas Prices](#)). By contrast, the [standard business mileage rate](#) fluctuates to reflect inflation and is currently set at 62.5 cents per mile.

Making matters worse, federal and some state laws actually **penalize** some volunteer drivers. If a nonprofit reimburses volunteers for their gasoline or mileage, those laws mandate that the volunteers pay income taxes on mileage reimbursements 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 of 62.5 cents/mile, drivers can be taxed on the 48.5 cents/mile above the 14 cents/mile they could otherwise deduct.

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. The Volunteer Driver Tax Appreciation Act of 2023 eliminates this unfair treatment by raising the volunteer mileage rate to the standard business mileage rate for volunteers who drive their vehicles on behalf of charitable nonprofits to transport property or individuals. Whether traveling long distances to deliver meals to senior citizens, taking patients to medical appointments, or performing

myriad other similar services, your bill ensures volunteers receive fair incentives and are not punished for helping charitable organizations provide essential services.

We thank you for your legislation and stand ready to assist in promoting swift passage of the bill.

Sincerely,