

Housing Allowance Worksheet

1. The amounts below should be an estimate of the actual expenses that will be paid to provide housing for the entire year.

| | |
|---|-----------------|
| Rent | \$ _____ |
| Down payment on a home | \$ _____ |
| Remodeling and improvements | \$ _____ |
| Installment payments on a mortgage loan to purchase or improve your home (includes both principal and interest) | \$ _____ |
| Furnishings and appliances (purchase and repair) | \$ _____ |
| Utilities connected with the dwelling (gas, water, sewer, electricity, trash pick up, and local telephone charges) | \$ _____ |
| Property insurance | \$ _____ |
| Real Estate taxes | \$ _____ |
| Homeowners association dues | \$ _____ |
| Repairs | \$ _____ |
| Maintenance (household cleansers, light bulbs, pest control, yard services, etc.) | \$ _____ |
| Other expenses of the home (do not include expenses for food or servants) | \$ _____ |
| Total Estimated Expenses for the year | \$ _____ |

2. **Annual Fair Rental Value (furnished)** \$ _____

+ Utilities (same as above) \$ _____

WARNING: Beginning with the 2002 tax year, Congress has enacted into law the Clergy Housing Allowance Clarification Act of 2002. The maximum Housing Allowance in any tax year is the LESSER of 1.) your actual expenditures, OR 2.) the fair rental value of your home, as furnished, plus utilities OR 3.) the amount declared in advance as your Housing Allowance.

3. **Total Annual Housing Allowance** \$ _____

(divide this number by the number of paychecks you will receive in a full year to determine the amount that should be designated per pay)

Under Section 107 of the Internal Revenue Code, a minister of the gospel is allowed to exclude from gross income (in computing Federal income taxes) a designated allowance paid to him/her as part of his/her compensation, to the extent used by him/her for actual expenses in owning or renting a home. The estimated housing allowance for 2019 is not necessarily non-taxable. It is non-taxable for income tax purposes, only to the extent that it does not exceed your actual housing expenses. To the extent that your actual housing expenses are less than the housing allowance claim, you are required to report the "excess housing allowance" as additional income on Line 21 of your Form 1040 (if an employee) or on Schedule C (if self-employed). It is the responsibility of the minister to maintain receipts and cancelled checks substantiating actual housing expenses in the event of an IRS audit.

Your housing allowance designation can be amended during the year, but such amendment will only apply to future housing expenses.