RESOLUTION DESIGNATING HOUSING ALLOWANCE FOR THE PASTOR

Whereas, the Internal Revenue Code allows a minister to exclude from gross income a church-designated housing allowance to the extent permitted by law; and

Whereas, **26 U.S.C. §107(2)** provides that *"the rental allowance paid to a minister of the gospel as part of his compensation, to the extent used by him to rent or provide a home and to the extent such allowance does not exceed the fair rental value of the home (including furnishings and appurtenances such as a garage) plus the cost of utilities,"* shall be excluded from taxable income; and

Whereas, the IRS further instructs in **IRS Publication 517** that the housing allowance must be **officially designated in advance of payment** and recorded in the minutes of the employing church or organization; therefore

Be it resolved, that the church hereby designates **$**______________ of the pastor's compensation package as a **housing allowance** within the meaning of 26 U.S.C. §107, effective January 1st _______________, and continuing unless modified by further church action; and

Be it further resolved, that the church secretary shall record this action in the official minutes of the church, and a copy shall be provided to the pastor for personal records and tax preparation.

Adopted this date: __________________________________

by ____ Church.

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Signature Church Conference Secretary