



## Housing allowance worksheet for pastors living in a parsonage

**Estimated 2012 expenses by category:**

|   |                 |
|---|-----------------|
| Personal property insurance .....   | \$ _____        |
| Utilities (electricity, gas, water, sewer, trash pickup, local telephone charges) ..... | \$ _____        |
| Furnishings and appliances (purchase and repair) .....                                  | \$ _____        |
| Structural repairs and remodeling .....   | \$ _____        |
| Yard maintenance and improvements .....   | \$ _____        |
| Maintenance items (household cleaners, light bulbs, pest control, etc.) .....           | \$ _____        |
| Miscellaneous allowable expenses (consult your tax preparer) .....                      | \$ _____        |
| <b>Total estimated personal parsonage expenses for 2012 .....</b>                       | <b>\$ _____</b> |

*Insert total on line H of Pastoral Services worksheet*



This list of expenses represents a reasonable estimate of my housing expenses for next year.

I understand and agree that:

- The church board will not designate a portion of my compensation as parsonage allowance until I complete and return this form.
- Retroactive designations of parsonage allowances are not legally effective.
- If a change in my parsonage allowance is necessary because the initial estimates I provided are insufficient, it is my responsibility to notify the church board.
- **My parsonage allowance exclusion is not the same as my estimated expenses.** The actual parsonage allowance exclusion is the lower of two amounts: (1) my actual parsonage expenses for the year, or (2) the church-designated parsonage allowance.
- The parsonage allowance exclusion is an exclusion for federal income taxes only. I must include my parsonage allowance as taxable compensation when calculating self-employment taxes due on Schedule SE (unless I am exempt from self-employment taxes).

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Signature of Pastor

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Date

I attest that I received this form from the above minister.

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Signature of Church Board Secretary

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Date

**Explanation of the parsonage allowance:** For federal income tax purposes, ministers living in church-provided parsonages as part of compensation for pastoral services provided are permitted to exclude from federally taxable income a "parsonage allowance" designated in advance by the church (Church Board), to the extent that the allowance is used to pay for eligible parsonage expenses **not otherwise paid by the church.** This form can be used to estimate projected parsonage expenses for the coming year to help the church board designate an appropriate amount for the parsonage allowance. The amount needs to be approved and documented prior to December 31, 2011 for 2012. We recommend consulting a tax professional for assistance with your state's tax treatment of housing allowances.