

Volunteer Mileage Reimbursement Fact Sheet

Volunteer drivers may exclude mileage reimbursement payments from their income only to the extent they would be able to deduct the expense as a charitable contribution.

They may exclude one of these amounts for each mile driven, including unreimbursed miles:

- Optional, standard mileage rate for charitable activities of 14 cents per mile.
- Actual vehicle expenses, such as gas and oil, directly related to the charitable purpose

Note: Beginning with tax year 2021, you may be able to subtract reimbursements exceeding 14 cents per mile on your Minnesota income tax return.

Who Is a Volunteer Driver?

A volunteer driver transports persons or goods on behalf of a nonprofit entity or governmental unit in a private passenger vehicle and receives no compensation for services provided other than reimbursement of actual expenses.

Employees receiving wage compensation are not considered volunteer drivers if providing the same type of services they are employed to provide.

If I'm a Volunteer Driver

If you receive mileage reimbursement for charitable activities, you may need to include the payments on your income tax return.

- Report mileage reimbursements above the exclusion amount as income
- Report any other taxable payments as income

You may not need to include reimbursements under certain volunteer programs. For details, see [IRS Publication 525](#) and consult your tax professional.

If I Reimburse a Volunteer Driver

How much can I pay them for mileage?

You can reimburse for mileage at any amount. The volunteer may owe tax if the reimbursement rate is more than 14 cents per mile.

Do I need to issue them a federal Form 1099-MISC?

You must issue a Form 1099-MISC to a volunteer if both of these apply:

1. You reimbursed the volunteer more than 14 cents per mile
2. You paid the volunteer \$600 or more during the calendar year

State of Minnesota Volunteer Mileage Reimbursement Subtraction

If you received mileage reimbursement in volunteer service for an organization eligible for a charitable contribution under Internal Revenue Code, section 170(c), you may subtract the amount you received. For details about qualified organizations for deductible contributions, see [IRS Publication 526](#).

You may subtract any amount exceeding the 14-cent-per-mile volunteer mileage rate on your Minnesota return, up to the 2021 cap of 56 cents per mile.

Complete [Schedule M1M, Income Additions and Subtractions](#), to claim this subtraction from Minnesota income.

For More Information:

For more information, visit the [Minnesota Department of Revenue Volunteer Mileage Reimbursement website](#) or contact:

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