

OFFICIAL DESIGNATION OF MINISTER'S HOUSING ALLOWANCE FOR THE YEAR 2026

Internal Revenue Code Section 107 and Federal Income Tax Regulation 1.107 provide that the gross income of a minister of the Gospel does not include “the rental value of a home provided” and/or the allowance paid as a part of compensation to the extent used “(1) for rental value of a home, (2) for purchase of a home and (3) for expenses directly related to providing a home.” In order for the minister to qualify for this exclusion the church must officially designate in advance an allowance for this purpose. Such designation permits the minister to exclude the designated amount from taxable income, to the extent actually used, and has no further effect upon the church or its budget. The burden of proof for actual costs incurred rests upon the minister, not the church, if the IRS should require evidence that the allowance was used for housing costs. It is the minister’s personal responsibility to report to the IRS any unused housing allowance as being taxable income.

The following resolution is being presented to the church to fulfill this requirement:

Resolved: That the total compensation for Pastor Andy Dela Cruz for the year 2025, an amount of \$44,000.00 be designated as a housing allowance. The total amount is designated for his mortgage payment, HOA payments, monthly utilities and other legitimate expenses incurred by Pastor Dela Cruz in the year 2025 for providing and maintaining a home.

Resolved: That the total compensation for Pastor Wayne Surface during the year 2025 include a designated housing allowance of \$50,000.00 of which \$28,000.00 is established for his mortgage payment and \$22,000.00 is designated for utilities and other legitimate expenses incurred by Pastor Surface in the year 2025 for providing and maintaining a home.

Resolved: That the total compensation for Pastor Ensener Nerro for the year 2025, an amount of \$36,000.00 be designated as a housing allowance. \$34,000.00 is designated for monthly rent and utilities, and an additional \$2,000.00 is designated for other legitimate expenses incurred by Pastor Nerro in the year 2025 for providing and maintaining a home.

These resolutions shall remain in effect for one year and will be renewed annually.