

## Sample article for organizations to use to reach customers

*Post the following article on your websites and/or use in other communication vehicles for information on how volunteers may need to pay taxes.*

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### Volunteers may need to pay taxes too!!

Are you a volunteer? If so, you should be aware that income or reimbursements you receive for volunteering — such as stipends, education awards, bonuses and allowances — may be considered taxable income. However, a portion of these may also be tax-exempt. Generally, you'll receive a [Form W-2, Wage and Tax Statement](#), or Form 1099-MISC, *Miscellaneous Income*, if the compensation you receive is taxable.

Taxable allowances credited to you in a calendar year are subject to income taxes for that calendar year, even if you do not receive the allowance until your service is complete. Usually the volunteer organization will mail you a Form W-2 showing the amount that must be included in your income for the year.

Special rules apply for volunteer organizations such as Volunteers in Service to America, Peace Corps and AmeriCorps, volunteer tax counseling and for volunteer medical emergency responders and firefighters.

Some AmeriCorps members receive education awards. These awards are taxable in the year used. For example, if you use all or part of an education award for college in 2011, you must pay taxes on the portion of the award used when you file your 2011 taxes. While volunteers are responsible for taxes on an education award and other benefits, you may be eligible for other tax relief, including the [American Opportunity or Lifetime Learning educational credits](#). Also, if you participate in loan forbearance (or postponing loan payments), interest relief paid by the volunteer program may also be taxable. For additional information, refer to IRS [Publication 970, Tax Benefits for Education](#).

If you are a volunteer in the National Senior Service Corps Program or Service Corps of Retired Executives, amounts you receive for supportive services or reimbursements for out-of-pocket expenses are **not** included in income.

Volunteers may also be able to deduct, as a charitable contribution, some out-of-pocket expenses paid in giving services to a qualified organization. See Publication 17, *Your Federal Income Tax*, for additional information.

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### Additional IRS Resources:

- [Publication 17, Your Federal Income Tax](#) (see Wages, Salaries and Other Earnings chapter)
- [Publication 525, Taxable and Nontaxable Income](#)
- [Tax Incentives for Higher Education](#)