



INFORMATION FOR CHURCH TREASURERS – 2026

- The IRS Mileage Reimbursement for vouched professional miles **will increase to .72.5 per mile on 1/1/2026.** Confirm that your church has a Session-approved Accountable Reimbursement Plan that addresses professional expense reimbursements. Your staff members could face adverse tax consequences if you do not have an approved plan. A sample Accountable Reimbursement Plan is available on the Presbytery website. Don't hesitate to contact Eric at the Presbytery office if you have questions.
- Housing Allowance - if applicable and working with the Pastor, the Session should designate a housing allowance for 2026 for pastors who own or rent their homes. A housing allowance must be designated in advance and is never effective retroactively.
- A reminder that Clergy have a unique "dual tax status" where their ministerial payroll earnings are subject to the **Self-Employment Contributions Act (SECA) tax**, not the **Federal Insurance Contributions Act (FICA) tax**, for Social Security and Medicare purposes. Please get in touch with Eric at the Presbytery office if you have questions about this critical aspect of payroll withholding tax processing.
- **For 2026, the PC(USA) is reducing its Special Offerings from four to three**, phasing out the Pentecost Offering and renaming the Peace & Global Witness Offering to the World Communion Offering, now focused on grants for justice, peace, and interfaith work, while keeping One Great Hour of Sharing (hunger, disaster, poverty) and Christmas Joy Offering (youth, leadership, vulnerable members) with expanded cause-based focus.
- Congress approved a new "above-the-line" charitable deduction for taxpayers **who take the standard deduction.** Starting in 2026, **individuals may deduct up to \$1,000, and married couples filing jointly may deduct up to \$2,000** from their taxable income for gifts made to the church.
- A reminder that church donors need a bank record or a written statement from the church to confirm the amount and date of any donation of money. Donors must get a written acknowledgment from the church for all gifts valued at \$250 or more. Special rules apply to cars, and other types of property donations.
- The federally required contribution cap on a 2026 health care "Flexible Spending Account" (FSA) **is increased to \$3,400.** These pre-tax accounts can be used to pay for qualified medical expenses. The 2026 FSA may include an option to carry over up to \$680 of prior-year FSA funds.
- In 2026, the standard 403(b) employee contribution limit is **\$24,500**, with an additional **\$8,000 catch-up for age 50+**, totaling \$32,500; a special **\$11,250 "super catch-up"** is available for ages 60-63. The employer/employee limit for contributions to a 403(b) is **\$72,000 for 2026.**
- **January 31, 2026**, is the due date for issuing Form 1099 (NEC, MISC, etc.) and Form 1096 with the IRS to report 2025 non-employee compensation or miscellaneous income over \$600 annually. **For 2026, 1099-NEC/1099-MISC** non-employee compensation (e.g., freelancers, contractors) and miscellaneous income (e.g., rent, prizes, awards, legal settlements) will increase to \$2,000+ annually. This amount will be adjusted for inflation beginning in 2027.
- A reminder that the State of Indiana changed how churches file annual reports and access sales tax exemption certificates. Beginning in 2023, the legislation revised filing frequency for Annual Reports from annually to every five years. After 2022, the due date for the new Form NP-20R, Nonprofit Organization's Report, is based on the last two digits of the organization's federal employer identification number (FEIN). More information and due dates are available [here](#).
- The church member per capita is our shared gift, providing primary support to the operating ministry of the Presbytery, Synod, and General Assembly. As approved by the Assembly in November, the per capita amount for the presbytery is \$30.95 for 2026. The Synod rate is \$3.81, and the General Assembly rate increases to \$11.26. This results in a total per-member **per capita rate of \$46.02 for 2026.**

Thank you for your work and ministry. If you have any questions – we're here to help!

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