

About Clergy, Clerical Income, and VITA Scope

Taxpayers who are clergy members may have special circumstances that make their tax return out of scope for VITA. These special circumstances may be a special allowance provided by the church/synagogue/mosque or religious institution for which the clergy member works or provides services or it may be an exemption from self-employment taxes approved by the IRS.

How to Determine if the Tax Return is In Scope for VITA

For all taxpayers who identify themselves as **clergy members**:

Scenario	Ask the Taxpayer...	Answer	In Scope for VITA?
Taxpayer has Form W-2 <u>or</u> self-employment income	Have they submitted Form 4361, Application for Exemption From Self-Employment Tax for Use By Ministers, Members of Religious Orders and Christian Science Practitioners to the IRS and been granted that exemption?	Yes	No Refer the client to STS (Sid Stuewe).
		No	Continue to the next table.

For clergy members who have not filed **Form 4361** or been granted an exemption by the IRS:

Scenario	Ask the Taxpayer...	Answer	In Scope for VITA?
Taxpayer has Form W-2	Did their religious employer provide any special allowances (usually for housing)?	No	Yes The tax return is prepared as usual.
		Yes	No Refer the client to STS (Sid Stuewe). The taxpayer will need to have documents for the allowance payment (e.g. cash, 1099, etc.) for STS. (Allowance payments should not be included on the W-2.)

Scenario	Ask the Taxpayer...	Answer	In Scope for VITA?
Taxpayer has self-employment	Did their religious employer provide any special allowances (usually for housing)?	No	<p style="text-align: center;">Yes</p> <p>The self-employment is reported on Schedule C and the taxpayer is able to claim expenses as a deduction.</p>
		Yes	<p style="text-align: center;">No</p> <p>Refer the client to STS (Sid Stuewe). The taxpayer will need to have documents for the allowance payment (e.g. cash, 1099, etc.) for STS.</p>