

Payments/Expenses to volunteers in "Non-Profits" - new tax provisions

We wish to draw your attention to new tax provisions, recently approved by the Knesset, which facilitate covering expenses (or refunding) to volunteers in non-profit organizations. Such "refunds" are required to conform with the aims of the organization and have appropriate receipts (previously such expenses were treated as not deductible and resulted in tax payments of 90% of these amounts).

The following expenses/refunds are now "exempt":

- Events organized by volunteers - upto nis12 per participant.(where expenses paid personally.)
- Motor car expenses - upto nis280 per month.(public transportation was previously recognized.)
- Home phone calls - upto nis50 monthly.

These are conditional on the volunteer not earning income from the "non-profit" nor any other benefits. In addition the following conditions will apply:

- The organization's constitution/articles must provide for activating volunteers.
- The "non-profit" will report each year on all volunteers and amounts paid/refunded (forms to be submitted).

These are very pertinent for many non-profits.
We will be glad to clarify and assist.

Warm Regards,

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