

## **Q&A: Are "Love Offerings" for Church Staff Taxable?**

How to handle these well-meaning cash gifts.

by Richard R. Hammar

**Q:** I recently read an article about when churches give Christmas gifts and have a question. If a church takes up a love offering at Christmas for its pastor and staff, is that reportable as income? This would not come from budgeted funds, and there is no predetermined amount. It would be miscellaneous, free-will donations made by members of the congregation. The church would simply tabulate the funds and write the checks. Is this reported as taxable income?

**A:** I cover the topic of “love offerings” on Page 177 of the [2012 Church & Clergy Tax Guide](#):

Churches sometimes collect “love offerings” from the congregation for a pastor, intern, or other staff member in recognition of services rendered. Such offerings must be reported as taxable income. If the recipient is an employee, the love offering should be added to his or her Form W-2. If the recipient is not an employee, the income should be reported on a Form 1099-MISC if \$600 or more.

*For more details, including specific examples and case references that support this position, check out the [2012 Church & Clergy Tax Guide](#) at <http://YourChurchResources.com> (the [2013 Church & Clergy Tax Guide](#) is also available for pre-order).*