



# Volunteer Driver Tax Appreciation Act

The Volunteer Driver Tax Appreciation Act (S. 1177/H.R. 1582)—led in the Senate by Sens. Klobuchar (D-MN) and Budd (R-NC), and in the House by Reps. Stauber (R-MN) and Craig (D-MN)—strengthens the nonprofit sector and its volunteer workforce by modernizing the volunteer mileage reimbursement rate. It raises the current rate from 14¢ per mile—a level unchanged since 1997—and ties it to the Internal Revenue Service’s (IRS) standard mileage rate, which is currently 72.5¢ per mile and adjusted annually for inflation. Volunteers who are reimbursed above this rate owe federal income tax on the difference.

- Outdated reimbursement has failed to keep pace with rising costs—resulting in reduced volunteer participation and increasing pressure on nonprofits that provide essential services to their communities.
- This legislation ensures volunteers who use personal vehicles for charitable purposes such as transporting veterans to medical appointments or delivering food to seniors receive fair treatment for every mile they drive.

## Why It Matters: Volunteer Driver Tax Appreciation is Good Policy

- According to research conducted by Independent Sector with the Do-Good Institute, the average value of a volunteer hour in 2025 was \$36.14—a 3.9% increase from the previous year, underscoring the economic importance of volunteerism.<sup>1</sup>
- In its 2024 Annual Report/2025 Purple Book, the National Taxpayer Advocate Recommended aligning the charitable mileage rate with the IRS standard rate to modernize reimbursement policy and create parity for volunteer drivers.<sup>2</sup>

## Bottom Line

Updating the volunteer mileage rate is a low-cost, high-impact policy change that removes a key barrier to service, supports nonprofit capacity, and strengthens community services.

**Independent Sector urges you to cosponsor and support passage of this bill.**

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<sup>1</sup> Value of Volunteer Time. Independent Sector. <https://independentsector.org/research/value-of-volunteer-time/>

<sup>2</sup> National Taxpayer Advocate 2025 Purple Book. Taxpayer Advocate Service. <https://www.taxpayeradvocate.irs.gov/reports/2024-annual-report-to-congress/national-taxpayer-advocate-2025-purple-book/>