



## Housing Expenses Worksheet

Retired clergy can have eligible distributions from their 403(b) and Rabbi Trust accounts designated as a housing allowance and potentially excluded from gross income for federal income tax purposes.

RPB will designate 100 percent of your distribution income as your potential housing allowance, but this does not mean that this is the amount that can actually be excluded from your federal income taxes. The IRS allows you to exclude from gross income the lesser of the following:

- The amount officially designated by RPB as a housing allowance (in advance of the expense), or
- The amount of actual housing expenses, or
- The fair market rental value of your furnished home, including utilities.

Generally, any expense to provide or maintain the home can be used to substantiate the housing exclusion. Clergy who own or rent their primary residence should take the following expenses into account to calculate your housing allowance tax exclusion:

Housing Expense	Annual Amount
Down payment on a new primary residence	\$
Payments on mortgage loan to purchase or improve your home (interest and principal)	\$
Rent	\$
Remodeling and improvements	\$
Real estate taxes	\$
Property insurance	\$
Utilities (electricity, gas, water, trash pickup, land-line telephone charges, Internet)	\$
Furnishings and appliances (purchase and repair)	\$
Maintenance items (pest control, lawn maintenance, etc.)	\$
Homeowners association dues	\$
Miscellaneous home expenses	\$
<b>Total Annual Housing Expenses</b>	\$
Potential Amount Excludable from Federal Income Tax	
A. Annual Housing Expenses (above)	\$
B. Actual Fair Market Rental Value (including utilities)	\$
C. Amount Designated by RPB as Housing Allowance	\$
<b>Potential Housing Allowance Exclusion (lesser of A, B, or C)*</b>	\$

*\* Make sure you have records of your actual house expenses and work with your tax advisor to discuss your individual circumstances.*