

S.F. No. 3189 – Modifications to volunteer driver subtraction (as proposed to be amended by the A-2 amendment)

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Minnesota currently allows a subtraction for the amount of mileage reimbursement paid by a charitable organization for work as a volunteer driver. The subtraction equals the difference between the amount reimbursed for mileage at the rate allowed for business purposes established in the Code of Federal Regulations (70 cents/mile for 2025) and the amount reimbursed at the mileage rate for volunteer drivers under the Internal Revenue Code (14 cents/mile). The business mileage rate is adjusted annually for inflation; the mileage rate for volunteer drivers is not.

Section 1. Volunteer driver reimbursement. Increases the amount of the volunteer driver subtraction to the difference between \$2/mile, multiplied by the number of miles calculated for the mileage reimbursement paid to the volunteer driver by a charitable organization, and the amount reimbursed at the mileage rate for volunteer drivers. The \$2 amount is adjusted annually for inflation under provisions of current law. Effective for taxable years beginning after December 31, 2024.

