

Typical Parsonage Allowance Expenses

1. Rent or principal payments, cost of buying a home and down payments.
2. Real estate taxes and mortgage interest for the home. These expenses are allowed to be deducted as itemized deductions on Schedule A. A DOUBLE DEDUCTION allowed by IRS! (Rev. Ruling 62-212 and Sec. 265 (a) (6))
3. Insurance on the home and/or contents.
4. Improvements, repairs and upkeep of the home and contents, example: New roof, room addition, garage patio fence, pool, appliance, repair, etc.
5. Furnishings and appliances: dish washer, vacuum sweeper, TV, VCR, stereo, piano, computer (personal use), washer, dryer, beds, small kitchen appliances, cookware, dishes, sewing machine, garage door opener, lawnmower, hedge trimmer, etc.
6. Decorator items: drapes, throw rugs, pictures, knick-knacks, painting, wallpapering, bedspreads, sheets, towels, etc.
7. Utilities - heat, electric, base rate of telephone, water, cable TV, sewer, garbage removal, and etc. (Show business telephone expenses as a professional expense. It will result in less social security tax.)
8. Home owners association dues
9. Miscellaneous - anything that maintains the home and its contents that you haven't included in repairs or decorator items: cleaning supplies for the home, brooms, light bulbs, dry cleaning of drapes, shampooing carpet, expense to run lawnmower, tools for landscaping, garden hose to water lawn, etc.