



Interpretations, Rulings & Opinions Committee Paper
I.R.O.C Paper (Volume 9, Issue 1; 2002, Jan.)

Re: HOUSING ALLOWANCE FOR MINISTERS OF RELIGION

Issue:

The Income Tax Act stipulates that the value of accommodation provided by an employer is taxable. However, the maximum value taxable is fifteen percent (15%) of the emoluments from the employment excluding the value of the accommodation.

Background:

The point has been made that some members of the Clergy are compelled to live in dwelling houses provided by the Church and maintained offices as well as provide accommodations for visiting Clergy.

Against this background, the Commissioner has decided that a special concessions will be given for Clergy persons (Ministers) who fit in the above category.

The maximum value taxable in such circumstances will be five percent (5%) of their emoluments excluding the value of accommodation, once the emoluments is greater than the value of the accommodation.
If the value of accommodation is greater than the emoluments then add value of accommodation to the total emoluments, divide by two and the calculate five percent (5%) of this figure.

Decision:

It must be emphasized that in cases where the above conditions does not apply to the norm maximum of 15% of emoluments will be taxed.