



WORLD OUTREACH MINISTRIES, INC.

MISSIONARY SERVICE AGENCY

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Tax Fact Sheet

For Mission Workers

Give this Fact Sheet to your accountant. As explained in our **Resource Library** (www.WorldOutreach.org/resources **Section 14**), filing your 1040 Personal Tax Return each year is very individualized. Every person's situation is different. *We are not Tax advisors or Tax preparers – therefore, we encourage you to find a qualified Tax preparer / accountant to help you. **Their fee will more than pay for itself. They can minimize your Net Taxable income by taking advantage of IRS deductions.*** There are many variables that must be considered, and that is why you need a professional Tax preparer. For example, are you married, single, with children? Do you have other sources of income outside your WOM ministry income? Was a portion of your WOM income used for expenses and projects? Do you have additional income from a business that you operate – or, investment income, military, retirement, social security, etc.? Additionally, you should be aware that the IRS has certain deductions for people who work in the ministry (i.e., the Housing Allowance that WOM offers). Have you resided outside the USA during the year and for how many days? As we have indicated, the variables regarding Taxes are numerous. For this reason, using a qualified Tax prepare is the best thing to do (see our recommended accounting firm in the Resource Library, Section 14). **The list below is by no means exhaustive, but simply provided to help your Tax preparer understand your status as a mission worker / minister.**

1. **Your WOM 1099 Form** – Give your Tax preparer a copy of your Form 1099 that we provide. Also give them copies of any other forms from other sources of income that you have (business income, retirement, investments, military, social security, etc.).
2. **WOM Housing Letter** – If you previously applied for the WOM Housing Allowance, make sure to give them the **Housing Allowance letter that accompanied your 1099**. If you never applied for the **WOM Housing Allowance**, then consider it for next year. It cannot be retroactive – so go here for how to apply for the future: www.WorldOutreach.org/housing
3. **Use the Schedule C Form** – By all means, ask your accountant to help you summarize all your **ministry & project expenses** on the **Schedule C** form (hotels, airline, taxi, telephone, printing, ministry equipment, projects, and any amounts you paid to local workers -- translators, national workers, etc.). The **Schedule C** is a **huge benefit** that all 1099 workers should take advantage of. It will allow you to deduct qualifying expenses from your total, thereby reducing your overall Taxable income.
4. **Additional items that may or may not apply to your situation are** - the Foreign Tax Credit / Foreign Earned Income Exclusion / and Forms 1116, 2555, 4565, and an FBAR. Consult your Tax Preparer. And, as mentioned above, they should be familiar with the Housing Allowance that many of you already have.