

## **Tax Relief on Donations to our Parish**

You may be aware The Revenue Commissioners operate a scheme under which qualifying charities can claim tax refunds on donations made in any one tax year. Our Parish is a qualifying registered charity (reg. no: CHY 7424) and can claim tax refunds on all donations of € 250 or more. Donations include all contributions by Standing Order, Family Envelopes and Dues. Money placed in collection baskets at Mass cannot be included in this total.

The Revenue Commissioners have changed the nature of the relief available on all donations received from 1<sup>st</sup> January 2013. Revenue now distinguishes between Individual Donations and Corporate Donations, which are explained below.

### ***Individual Donations (PAYE and Self Assessed Individuals)***

Donations are grossed up at a specified rate of 31%, irrespective of whether an individual pays tax at the standard or higher rate.

For example, Pat makes a cash donation of € 250 to the Parish. Under the new rules the Parish can claim tax of € 112.32 (i.e. € 250 grossed up at 31%) back from Revenue. This is on the assumption that Pat has paid tax in 2013 of at least € 112.32 (the amount of the repayment for any tax year cannot exceed the amount of tax paid by the donor). The cost to Pat is € 250; however the total benefit to the Parish would be € 362.32.

The Parish must have a signed 'Enduring Certificate – CHY 3 Cert' from each individual donor. This CHY 3 Cert will be valid for a five year period, thus reducing the administrative burden on the Parish. It is possible to cancel the CHY 3 cert before the end of the five year period, by simply notifying the Parish. However the option to make an annual declaration (CHY 2) is still available to you, should you so wish.

### ***Corporate Donations***

The donation can be treated as a trading or management expense and there is no grossing up arrangement in this case.

For example, Maynooth Ltd donates € 1,000 to the parish. Assuming a corporation tax rate of 12.5%, relief to Maynooth Ltd is € 125 (i.e. € 1,000 @ 12.5%). The Parish has the benefit of € 1,000 and the cost to the Maynooth Ltd for making the donation is € 875 (€ 1,000 less € 125). The Parish will not be claiming a repayment of tax in relation to this donation.

### ***Next Steps***

#### ***Individual Donor (PAYE and Self Assessed Individuals)***

If you have not already done so, please complete and sign an 'Enduring Certificate – CHY 3 Cert', which can be obtained from the Parish Office. All forms can be returned in an envelope clearly marked 'Tax Returns'. Please rest assured that information contained therein is for the charitable donation scheme only and will be held in the strictest confidence.

#### ***Corporate Donor***

A receipt will be issued from the Parish stating the amount given for accounts and corporate tax returns purposes.

### ***Further Information***

If you have any further queries in relation to the scheme please contact Aodhdín Casey at [maynoothparishoffice@eircom.net](mailto:maynoothparishoffice@eircom.net)