

Notes to CHY3 Cert

Background

Tax relief under section 848A TCA 1997 in respect of donations made on or after 1 January 2013 by individuals (whether self-assessed or PAYE-only taxpayers) to an approved body is allowed to the approved body rather than to the donor.

A donation which satisfies the conditions of section 848A is grossed up at the specified rate (currently 31%) and the approved body is deemed for the purposes of the relief to have received the grossed up amount net of tax deducted at the specified rate.

For example, Joan makes a cash donation of €1,000 to an approved body in the tax year 2013. Under the tax relief scheme the body is deemed to have received a donation of €1,449.27 (i.e. €1,000 grossed up at 31%) less tax deducted of €449.27. On the assumption that Joan has paid income tax for 2013 of at least €449.27, the approved body can obtain a refund of that amount from Revenue after the end of the tax year 2013.

The amount repaid to an approved body for any tax year **cannot** exceed the amount of tax paid by the donor for that year. For example, if Joan's income tax liability for 2013 is €350 (which she has paid), the repayment to the approved body is restricted to that amount.

Joan is not entitled to a repayment of any part of the tax that has been repaid to the approved body.

What are "approved bodies"?

The following are approved bodies for the purposes of the scheme of tax relief for donations under section 848A of, and Schedule 26A to, the TCA 1997-

- An "eligible charity", i.e. any charity which is authorised in writing by the Revenue Commissioners,
- Educational institutions or bodies including primary, second level or third level, as described in Part 1 of Schedule 26A TCA 1997,
- A body approved for Education in the Arts by the Minister for Finance as described in Part 2 of Schedule 26A TCA 1997,
- A body to which section 209 TCA 1997 applies.

Please refer to the Revenue website at www.revenue.ie for lists of resident and non-resident charities authorised for the purposes of the donations relief scheme.

When should I complete an Enduring Certificate?

You should complete an Enduring Certificate if you wish to allow an approved body claim tax relief in respect of donations you make to that body during the lifetime of the certificate.

An Enduring Certificate is valid for a period of 5 years, unless you cancel it before the end of that period.

You should complete this form **only** in respect of donations for 2013 and subsequent years.

If you are a PAYE-only taxpayer you should complete a CHY2 Cert in respect of donations made in 2012 and prior years.

Can I complete more than one Enduring Certificate?

Yes. You can complete an Enduring Certificate in respect of some or all of the approved bodies to which you make donations.

Can I renew an Enduring Certificate?

Yes. The qualifying body may contact you in this regard. Alternatively, you can advise the body in question to renew the certificate.

What if I do not want to complete an Enduring Certificate?

There is no obligation on you to complete any certificate in respect of your donations. However, you can complete an Annual Certificate if you prefer to provide a certificate to an approved body on an annual basis.

Can I cancel an Enduring Certificate?

Yes, but you must notify the approved body of its cancellation.

What happens if my circumstances change during the lifetime of an Enduring Certificate?

You must advise the approved body immediately of any change in your circumstances that would affect the body's entitlement to claim tax relief in respect of your donations.

How do I know if I'm "associated" with an approved body?

You are associated with an approved body if at the time you make a donation you are an employee or member of that body, or of another approved body which is associated with the first approved body.

One approved body is associated with another approved body if it could reasonably be considered that-

- The activities carried on by both bodies are, or can be, directed by the same person or by broadly the same group or groups of persons, or
- The same person or broadly the same group or groups of persons exercise, or can exercise, control over both bodies.

What should I do if I become, or cease to be, associated with an approved body during the lifetime of an Enduring Certificate?

You should advise the approved body immediately where the status of your association with that body alters during the lifetime of your enduring certificate.

What are the implications of being associated with an approved body?

Where the aggregate of your donations in a tax year to all approved bodies with which you are associated exceeds 10% of your total income for that year, the amount of those donations

that exceed the 10% limit are not considered relevant donations for the purposes of the scheme and tax relief is not available on that excess amount.

What are designated securities?

These are quoted shares and debentures.

Are there limits for tax relief purposes on the amount I can donate in any tax year?

Yes, there are some limits in place **for tax relief purposes**.

A donation to any one approved body must, for tax relief purposes, be in the form of money and/or designated securities and amount in aggregate in a tax year to at least €250.

The aggregate of donations to an approved body or bodies in any tax year from 2013 onwards cannot, for tax relief purposes, exceed €1,000,000.

If you are associated with an approved body, or bodies, the amount of your donations to that body, or bodies are, for tax relief, limited to an amount equivalent to 10% of your total income.

N.B. These limits apply **solely** for the purposes of tax relief on your donations – they **do not** impose any restrictions on the amount you can donate to an approved body.

Can I reclaim tax that has been repaid to an approved body?

No. Where an approved body has received a repayment of tax in respect of donations you made to that body, you **cannot** subsequently have any part of that tax repaid to you.

Further Information

You can obtain further information on the Donations Scheme from our website www.revenue.ie or from the Office of the Revenue Commissioners, Collector-General's Division, Charity Claims Unit, Government Offices, Nenagh, Co. Tipperary.
Phone: 067 63104 or Lo Call 1890 666 333, Email: charityclaims@revenue.ie or from your local Revenue Office.