

Games and sports bodies exemption

Part 07-03-08

This document should be read in conjunction with section 235 Taxes Consolidation Act 1997

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*Note: This manual is currently subject to review and
Most recent version. It may not reflect up-to-date position.*

1. Introduction – sporting bodies exemption

Certain bodies established for the sole purpose of the promotion of athletic or amateur games or sports (“approved sporting bodies”) can apply to Revenue for an exemption from Income Tax or Corporation Tax, as appropriate, for so much of their income as is applied for the purpose of promoting the game or sport in question.

The definition of “approved body of persons” was amended in section 16 Finance (No. 2) Act 2023, to mirror the definition of sport in the Sport Ireland Act 2015, in order to give greater clarity about what bodies are eligible to apply for tax exemption under section 235 Taxes Consolidation Act 1997 (TCA). The definition of sport includes “competitive sport” and “recreational sport” which are defined as follows:

“competitive sport” means all forms of physical activity which, through organised participation, aim at—

- (a) expressing or improving physical fitness, and
- (b) obtaining improved results in competition at all levels;

“recreational sport” means all forms of physical activity which, through casual or regular participation, aim at—

- (a) expressing or improving physical fitness and mental well-being, and
- (b) forming social relationships;

Bodies that were previously granted tax exemption under section 235 TCA up to the enactment of Finance (No. 2) Act 2023 will retain the exemption provided that they observe the conditions of the section.

2. Conditions for applying for the exemption

To apply for the exemption the sporting body must:

- be registered for tax with Revenue;
- be legally established, managed and controlled in the State;
- be member controlled and owned;
- have a minimum of three officers or directors, the majority of whom are unrelated and independent;
- ensure that the majority of the directors or officers are resident in the State;
- have a constitution that contains Revenue’s standard clauses for [unincorporated bodies](#) or [incorporated bodies](#).

3. Applying for the exemption

Applications must be submitted through the [Revenue Online Service \(ROS\)](#) under:

My Services - Other Services - Charities and Sports Bodies eApplications.

The following documentation must be attached:

- the sports body's latest financial accounts
- a statement of the sports body's activities, which must include details of:
 - the activities carried out by the sports body
 - the facilities of the sports body
 - the properties owned, leased or rented by the body
 - the coaching and training that is provided
 - any payments that are made to the coaches and trainers
- a copy of the sports body's constitution or governing instrument. If the sports body does not already have this, it must adopt one. For reference and guidance purposes only, Revenue has provided templates of model constitutions for [unincorporated](#) or [incorporated](#) bodies. Applicants should obtain their own legal advice, as necessary, when adopting their constitution or governing instrument.

Revenue's [Charities and Sports Exemptions Unit](#) may request further documents to support the application.

Once the exemption is approved, Revenue will issue a Games and Sports Exemption Number (GS Number). The body does not need to renew the exemption but must continue to meet the condition or conditions for the granting of the exemption. Revenue will publish a quarterly list on its website containing details of sports bodies which hold tax exemption at the time of publication.

4. Conditions for retaining exemption

Once the sports body has been granted tax exemption, it must:

- remain tax compliant;
- use all income which is the subject of the exemption to promote the athletic or amateur game or sport;
- keep proper records and accounts;
- keep audited accounts, if its annual income is over €250,000;
- notify Revenue's Charities and Sports Exemption Unit of any change of details through MyEnquiries in ROS; and

- seek permission from Revenue's Charities and Sports Exemption Unit (through MyEnquiries in ROS) for any change to the body's constitution, where required to do so.

5. Withdrawal of the exemption

The Revenue Commissioners may give notice in writing that they are satisfied that a body is not established or has ceased to be established for the sole purpose of promoting athletic or amateur games or sports. There are a number of circumstances in which the sports exemption is withdrawn by Revenue, including where:

- the sports body is winding up;
- the sports body was a limited company and has been dissolved by the Companies Registration Office (CRO);
- the sports body is in liquidation;
- the sports body is not engaging with Revenue (for example, if the sports body has an outstanding tax liability, or has not provided accounts or other documentation when requested);
- the sports body is unable to carry out its objective and has ceased activities;
- Revenue determines that the sports body is no longer eligible for tax exemption.

Such notice may be appealed to the Tax Appeals Commission.

Without an exemption, a games or sports body, in common with any other organisation:

- may be liable to Income Tax or Corporation Tax on any surplus income, and
- may be obliged to make annual tax returns.

The body is also liable to tax on income that does not qualify for the exemption (that is, income that is not applied for the purpose of promoting amateur or athletic games or sports).

6. Listowel Racing Company Ltd case; "sole" purpose test

The Listowel Race Company Ltd manages the Listowel races in Co. Kerry. It applied to Revenue for the sporting bodies exemption from corporation tax under section 235 TCA. Revenue refused to grant the exemption on the basis that the company was not established for the sole purpose of promoting an athletic or amateur game or sport and that it had not shown that its income was applied for the sole purpose of promoting an athletic or amateur game or sport. (There were objects other than sporting purposes in the company's constitution.) The company appealed Revenue's decision.

The Tax Appeal Commission (TAC) upheld Revenue's decision to refuse the exemption (ref: 68/15) concluding that the appellant was not a body or a body of persons established for and existing for the sole purpose of promoting athletic or amateur games or sports. The TAC found the appellant had significant income from other sources and that it was Horse Racing Ireland, and not the appellant, that carried out the activities of horse racing at Listowel and controlled every element of it.

The company appealed to the High Court, where Ms Justice Baker overruled the TAC determination (Record 2021/7R). She found that the company existed for the **primary** purpose of promoting athletic games or sports. She considered that the TAC was incorrect to base its decision on the other income sources: "**income is not the sole factor in the ascertainment of the purpose for which an entity was established and exists ... In the case of a body corporate its objects clause must be a critical factor and the memorandum of association of the appellant company clearly identifies the promotion of horse racing as its primary object**".

Revenue did not seek an appeal of the High Court decision in this case.

7. Exemptions from other taxes

If a sporting body is granted an exemption from Income Tax and Corporation Tax under section 235 TCA, the body may also be exempt from other duties and taxes.

Sporting bodies with an IT or CT exemption are exempt from Dividend Withholding Tax under section 172C TCA.

A capital gain by an approved sporting body will be exempt from Capital Gains Tax to the extent that the disposal proceeds are used for the sole purpose of promoting athletic or amateur games or sports under section 610A(1) TCA. Section 610A(2) TCA provides that If the proceeds (or a portion thereof) of a disposal by a sporting body are donated to a charity and the donation is approved by the Minister for Finance, the gain will be exempt from Capital Gains Tax in proportion to the amount that has been so donated. In general, the proceeds of the disposal must be spent within five years of their receipt.

Section 82B Stamp Duties Consolidation Act 1999 exempts approved sporting bodies from Stamp Duty.

However, there is no general exemption from VAT for a sporting body. Also, the deposit income of a sporting body is not exempt from Deposit Interest Retention Tax.

8. Sports Donation Scheme

Tax relief under section 847A TCA for donations to sporting bodies in relation to projects specifically approved by the Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media (see Tax and Duty Manual [Part 36-00-14](#)) is dealt with in the Revenue Branch dealing with the tax affairs of the sporting body.

Applications for approval to operate the scheme should be made to the Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media. In support of this application, a valid tax clearance and sporting body exemption is required.

9. Contact details for Charities and Sports Exemption Unit

Revenue's Charities and Sports Exemptions Unit can be contacted using Revenue's My Enquiries facility, or by telephone at 01 738 3688.

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