

Charitable Donations Scheme

Tax relief for donations to approved bodies

[Section 848A TCA 1997]

Part 36-00-17

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1. Introduction

Section 848A and Schedule 26A Taxes Consolidation Act 1997 (TCA) provide a uniform scheme of tax relief for donations to “approved bodies”. The list of approved bodies is set out in Schedule 26A and includes “eligible charities”, schools, colleges, universities, bodies approved for education in the arts and bodies within section 209 TCA, which covers certain bodies having consultative status with the UN or the Council of Europe which are established for the promotion and/or protection of human rights.

2. Donations qualifying for tax relief

The minimum donation in any single year of assessment or accounting period that must be made to any one approved body in the form of money or designated securities, or a combination of money and designated securities, for the purposes of obtaining tax relief under the scheme is €250. Cash donations made in instalments (e.g., by standing order or direct debit) also qualify. The maximum qualifying donation amount for individuals in a year of assessment is €1m for 2013 onwards. Where securities are donated, and tax relief is claimed under section 848A, the capital gains tax relief for donations of assets to charities, as provided for in section 611 TCA 1997, does not apply.

Where there is an association between a donor (being an individual) and an approved body at the time a donation is made – for example, where the donor is an employee or member of the approved body – relief under the scheme is restricted to 10% of the individual’s total income for the year of assessment in which the donation is made.

A donation must also satisfy the following conditions:

- it must not be repayable,
- it must not confer any benefit, either directly or indirectly, on the donor or any person connected with the donor, and
- it must not be conditional on, or associated with, any arrangement involving the acquisition of property by the approved body.

3. Donations by individuals for 2013 and subsequent years

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

A donation which satisfies the conditions of section 848A is grossed up at the specified rate, currently 31%, so the donation is multiplied by 131 and divided by 100 to arrive at the grossed-up amount. 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.

Example

Joan makes a cash donation of €1,000 to an approved body in the tax year 2018. 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 2018 of at least €449.27, the approved body can obtain a refund of that amount from Revenue after the end of the tax year 2018.

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 2018 is €350, and she has paid that liability, the repayment to the approved body is restricted to that amount.

A donor, who is an individual, must forward either a completed [CHY3 Cert](#) (Enduring Certificate) or [CHY4 Cert](#) (Annual Certificate) to the approved body in question to enable it claim a refund of the tax on the grossed up amount of the donation.

A donor is not entitled to a repayment of any part of his or her tax that has been repaid to an approved body under this scheme.

4. Donations by companies

When a company makes a qualifying donation to an approved body, it claims a deduction for the donation as if it were a trading expense or an expense of management for the accounting period in which it is paid.

5. List of approved bodies

Schedule 26A TCA provides the list of approved bodies for the purposes of the donations scheme. These are:

- A body approved for education in the arts.
- A body approved as an “eligible charity”.
- An institute of higher education, under the Higher Education Authority Act 1971 or a body set up to raise funds for such an institute.
- An education institution, under the Local Authorities (Higher Education Grants) Acts, 1968 to 1992, or a body set up to fund such an institution.
- An institute of higher education providing courses validated by the Qualifications and Quality Assurance Authority of Ireland under the Qualifications and Quality Assurance (Education and Training) Act 2012.
- Primary schools.
- Second level schools.
- A body established for the promotion of human rights in accordance with section 209 TCA.

6. Eligible charities

An eligible charity is a body which has received a valid authorisation from Revenue for the purposes of the donations scheme.

To obtain an authorisation, an applicant body must satisfy Revenue in relation to a number of matters, including, for example, that:

- it is established for charitable purposes only,
- its income is applied for charitable purposes only, and
- before applying for authorisation—
 - if it is a body established in the State, it has been granted charitable tax exemption in respect of its income under section 207 TCA¹ for a period of at least 2 years, or
 - if it is a body established in an EEA state (other than Ireland) or an EFTA state, it received a notice of determination from Revenue under

¹ Please refer to Tax and Duty Manual [Part 07-01-06](#) for further information on the charitable tax exemption.

section 208A TCA at least two years prior to the date of the application.

7. Authorisation

A charity wishing to apply for an authorisation under the scheme must submit a completed

- [CHY AUTH Form](#), and
- [A CDS \(Charitable Donation Scheme\) Registration Form](#)

to the Charities Section.

Authorisations are valid for periods ranging up to five years and upon expiry may be renewed by making a fresh application.

Accounts and details of activities are sought from charities that make application under the scheme and with which Charities Section have not had contact for some time.

Where the Revenue Commissioners withdraw the authorisation of an approved body (which is an “eligible charity”) by notice in writing in accordance with paragraph 7 of Part 3 of Schedule 26A, a donation made in good faith to the body by a company, or a self-assessed individual in the period from the date from which the withdrawal of the authorisation becomes effective to the date of the notice of withdrawal, is treated as a relevant donation made to an approved body. This is notwithstanding that the donation may have been made after the effective date of the withdrawal of the authorisation from the body in question.

Bodies that are authorised for the donations scheme are listed on Revenue’s website at the following links:

- [LIST A](#): Resident charities authorised under the “Scheme of Tax Relief for Donations to Eligible Charities and other Approved Bodies” under the terms of Section 848A Taxes Consolidation Act 1997.
- [LIST B](#): Non-resident charities authorised under the “Scheme of Tax Relief for Donations to Eligible Charities” under the terms of Section 848A Taxes Consolidation Act 1997.

8. Additional information

For additional information on the charitable donations scheme:

- Please [click here](#) to view Revenue's Notes for Guidance on section 848A
- Please [click here](#) to view Revenue's Notes for Guidance on Schedule 26A
- For donations on or after 1 January 2013, please use forms [CHY3](#) and [CHY4](#).

9. Contact details

Office of the Revenue Commissioners
Charity Claims Unit
Government Offices
Nenagh
Co. Tipperary
E45 T611

Phone: 067 63377

Email: Please use the MyEnquiries service available in myaccount or ROS