

Charitable Donations Scheme

Tax relief for donations to approved bodies

Section 848A TCA

Part 36-00-17

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A more recent version of this manual is available.

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 (for example, by standing order or direct debit) also qualify. The maximum qualifying donation amount by an individual in a year of assessment is €1m for 2013 onwards. Where securities are donated, and tax relief is claimed under section 848A TCA, the capital gains tax relief for donations of assets to charities, as provided for in section 611 TCA, 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 respect of donations made 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%¹, so the donation is multiplied by 100 and divided by 100 minus 31 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 €1,449.28 (that is, €1,000 grossed up at 31%²) less tax deducted of €449.28. On the assumption that Joan has paid income tax for 2018 of at least €449.28, 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.

¹ To gross up by 31%, multiply the donation by 100 and divide by 69 (100 minus 31)

² €1,000 x 100/(100-31) = €1,449.28

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.
- Secondary 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 TCA³ 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

³ 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.

If a charity or charities undergo a process of restructuring or amalgamation and each restructured or amalgamated body has held an authorisation to operate the charitable donations scheme for not less than two years prior to the date of the initiation of the process of re-organisation, and the winding up and distribution of all of the assets of each restructured or amalgamated body has been completed, then the successor body shall be deemed to comply with the requirement to have held the exemption under section 207 TCA for a period of two years. This is provided for in section 72 Finance Act 2020 which amends Schedule 26A TCA.

7. Authorisation

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

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

The following must be attached with the application:

- The latest financial accounts, including a breakdown of income and expenditure
- latest annual report, or details of recent activities carried out by the charity.

The latest financial accounts should be signed by the two trustees if the annual income is less than €100,000.

The latest financial accounts should be audited and signed by the auditor if the annual income is greater than €100,000.

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

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 TCA, a donation made in good faith to the body by a company 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 TCA.
- [LIST B](#): Non-resident charities authorised under the “Scheme of Tax Relief for Donations to Eligible Charities” under the terms of Section 848A TCA.

8. Additional information

Further information on the charitable donations scheme is available as follows.

- Information on the charitable donation scheme is available on the Revenue website
<https://www.revenue.ie/en/companies-and-charities/charities-and-sports-bodies/charitable-donation-scheme/index.aspx>.
- Please [click here](#) to view Revenue’s Notes for Guidance on section 848A TCA.
- Please [click here](#) to view Revenue’s Notes for Guidance on Schedule 26A TCA.
- For donations on or after 1 January 2013, please use forms [CHY3](#) and [CHY4](#).

9. Contact details

Revenue’s Charities and Sports Exemption Unit

Telephone: 01 738 3680

Email: please MyEnquiries which is available in ROS or myAccount.