



## PRESS RELEASE

### **Proper Use of Tax Benefits Could Increase Value of Charitable Donations**

Tax payers can either increase the value of their charitable donations or reduce their financial impact by making appropriate use of available tax reliefs, according to Frank Hussey, President of the Irish Taxation Institute.

“Tragic recent events in South East Asia have focussed our attention on the importance of donations to all recognised charities. Every year, thousands of Irish taxpayers donate funds for charitable causes both at home and overseas. I would remind all taxpayers that their charitable donations could be worth even more to these charities if they avail of the special tax relief for qualifying donations. For the relief to apply, the donation must be made to a recognised charity and the amount given to that one charity in the year must be at least €250, although this can be paid in instalments throughout the year.”

Hussey explained that the incentive operates differently depending on the type of taxpayer involved. Where the donations are made by PAYE taxpayers, the charity is treated as having received the income net of tax (at the individual’s top rate) and the charity then claims back the tax from the Revenue Commissioners. This provides the charity with additional funds from Exchequer at no extra cost to the donating taxpayer. PAYE taxpayers must complete form CHY2 (which is currently available on the homepage of the Revenue Commissioners’ website [www.revenue.ie](http://www.revenue.ie)) and send it with their donation to the charity.

Tax relief is also available to companies and self-employed individuals. However, these non-PAYE taxpayers obtain the relief directly through their tax return by claiming a deduction for the donation against their taxable income. Non-PAYE taxpayers are advised to keep a receipt for the donation with their records to prove payment.

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