

What's it all about?

In the Finance Act 2001 the Government introduced a new scheme of Tax relief for Approved Bodies. As a Charity, IBI qualifies for this scheme and we can apply to reclaim tax on donations made.

The minimum donation in a tax year is **€250**, given either as a single donation or the sum total of several donations. (e.g. **€21** per month).

There is no maximum limit. However, to qualify gifts must be traceable to the donor (e.g. gifts given by cheque, standing order, etc.).

What does it mean to IBI?

Last year IBI was able to claim back almost €23,000 from the Revenue Commissioners on gifts from PAYE earners in 2009, which was a significant income for IBI and a real blessing.

If you have any queries about this scheme, please feel free to talk to Dawn in confidence, contact details are shown opposite. Thank you.

How does it work?

The scheme is administered differently for different groups of tax payers, as follows:

I. PAYE Workers:

IBI claims the tax back.

Example:	Standard tax rate	Higher tax rate
	20%	41%
Gift:	€250.00	€250.00
Tax IBI can reclaim:	€ 62.50	€173.73
Total gift:	€312.50	€423.73

Note: At the standard rate the Revenue actually return 25% (gift x 20/80) and at the higher rate 69% (gift x 41/59)!

What is the donor required to do?

At the end of the year, you will need to complete a Tax Relief Certificate (see overleaf), and return it to IBI. The main details required are your name and address, the total amount of your donation to IBI in that year, your PPS number, and whether you pay tax at the standard or higher rate. The reason we need to know your tax rate is so that we know how much we can reclaim — **this information is confidential and will not be used for any other purpose**. As you can see from the example above, it can make a significant difference.

2. Self-Assessment: The Donor claims the tax relief.

Where a donor is taxed under the self-assessment system, donations above €250 in any year can be claimed as a deduction against tax.

Example:	Standard rate	Higher rate
	20%	41%
Donation:	€250	€250
Tax relief:	- € 50	- €102.50
Net cost to donor:	€200	€147.50

In this situation, the donor could give the extra amount to IBI upfront, or when they claim back the tax. The more you give the more tax you save!

3. Combined PAYE and Self-Assessment: The Donor claims the tax relief.

This situation will arise where a donor is working in paid employment part-time, and therefore paying tax under PAYE, and also self-employed part-time, and assessed for that income under self-assessment.

In this scenario, the tax relief cannot be claimed by IBI but must be claimed by the donor as in No. 2 above.

4. Corporate donations: The Donor claims the tax relief.

Companies/Corporate bodies who donate at least €250 to IBI can claim that amount as a normal business expense against their corporation tax. Again in this situation, the donor could give the gross amount to IBI, and then claim back the tax.

For further details please contact:

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