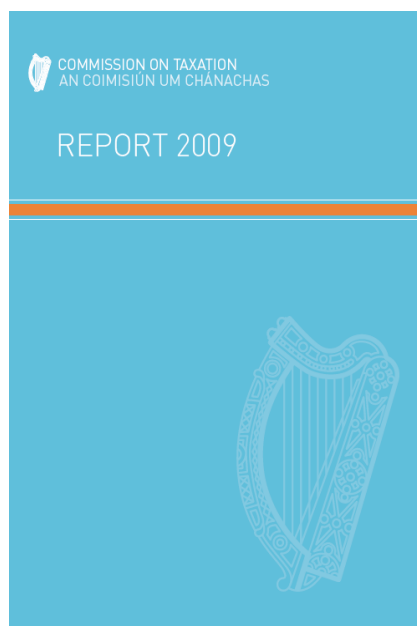


Relevant Proposals from the Commission on Taxation

Dr Micheál Collins
Dept of Economics, TCD
mlcollin@tcd.ie

- Commission operated in subgroups
- Subgroup on tax expenditures
- Part 8 of the report
- 111 recommendations
- 14 relating to 'Philanthropy'
- 5 related to charitable giving
- pages 24/25; 271-273



Our Thinking

- A general benefit to society from donations to charity...state should continue to support this
- However, exposure should not be unlimited
- All donations from individuals should be treated the same
- All donations from companies should be treated the same
- The benefit of the relief should always flow to the charity
- Remove from high-earners restriction (S485C)
- Merit in simplification of the admin system

Our Recommendations

- The threshold on the eligibility of individual donations to approved bodies to attract tax relief should be reduced from €250 to €100.
- The relief for individuals should be at the standard rate in all cases.



Our Recommendations

- An upper limit of €500,000 per person on the annual value of donations which may attract tax relief is recommended. This limit should be enforced using the principles of self-assessment and audit.
- The self-employed should be treated in the same way as PAYE earners under the scheme with the tax relief being paid to the charity or approved body.



Our Recommendations

- In relation to donations from companies, the amount that would attract tax relief should be the same as for individuals, i.e. a maximum of €500,000 per annum. The rate of tax relief on corporate donations should be the corporate tax rate and, as with donations from individuals, the tax relief should be paid to the charity or approved body.



Our Recommendations

- The tax relief scheme available on donations to sports bodies should be modified. The tax relief regime that is recommended in respect of donations to approved bodies should also apply in relation to reliefs for donations to sports bodies and aggregate limits should apply to both reliefs.



Our Recommendations

- The tax-exempt status of charitable bodies should continue. However, the capital gains tax exemption should be discontinued where development land is disposed of.