

TAX DEDUCTIBLE DONATIONS

As an Eligible Charity under Section 45 of the Finance Act 2001 Western Care Association qualifies for a scheme of Tax Relief in respect of donations in excess of €250. This will depend on whether the donor is a PAYE Taxpayer, an Individual on Self Assessment or a Company.

In the case of a PAYE Taxpayer, the benefit goes to the Charity on a “grossed up” basis, e.g. on a donation of €500, the Charity can claim the tax paid from the Revenue Commissioners at year end - €125 if the donor is paying income tax at the standard rate of 20% or €362 if the donor is paying at the higher rate of 42%. Thus the donation to the Charity will be worth €625 (standard tax rate) or €862 (higher tax rate). For a Self Assessment Individual the benefit goes to the Taxpayer, as the donation is treated as a legitimate expense. Therefore a donation of €500 by a self assessment individual paying tax at the standard rate of 20% will cost the Taxpayer €400, or paying tax at the higher rate of 42% will cost the tax payer €290. In the case of Corporate Donations, again the benefit goes to the Company. Assuming a Corporate Tax Rate of 20%, the cost to the Company of a €500 donation is €400.

Charity Number: CHY 5578