



CHANGING TO MEET NEW CHALLENGES

Irish Charities Tax Reform Group

18th Annual Conference

Friday 20th November 2009

The Ashling Hotel, Dublin 8

Supported by





Providing Leadership and Support
within the Irish Charity Sector

Review of 2008/2009

Sheila Nordon

20th November 2009

Taxation – a difficult year!!

- Drastic deterioration in the public finances – falling tax revenue over the past year
 - Emergency Budget April 2009 – no change to tax relief scheme
 - Focus on the banking crisis and macro economy
- Commission on Taxation Report – June 2009
 - Major win – Commission endorsed the principle of supporting philanthropy

“We consider that there is a general benefit to society from donations to charities and other approved bodies and that the State should continue to support this activity”
- ICTR and Philanthropy Ireland research on Creating an Encouraging Climate for Philanthropy – Farrell Grant Sparks – report published Sept. 2009

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Commission Recommendations

- Reduction of donation threshold to €100 **BUT** at the standard rate of tax
- Treat donations from all taxpayers the same i.e. PAYE and Self-Assessed – the tax refund to go to the charity (**would simplify the scheme and benefit most charities but could cause problems for major gift fundraising**)
- Remove scheme from S485c limits on high earners but cap it at €500k per annum (**very positive move - but will the upper limit affect major gifts?**)
- Same lower threshold and upper limits to apply to corporate donations with relief at corporate tax rate (**potential negative effect on establishing new corporate foundations**)
- Simplify administration of the scheme

VAT

- No reference to VAT and charities in the Commission report
- Continue to pursue VAT compensation based on Danish model
- EU –review on the taxation of public bodies and the future of social exemptions to start soon
- Need to update our research on the irrecoverable VAT burden on charities– we will need your VAT bill

Regulation – the good news

- Charities Act 2009 – Feb. - good result
- Fundraising Codes of Practice scheme highlighted as innovative case study in EU report
- ICTR invited to implement the scheme by Dept. CRaGA
- Guidestar – now up and running

Charities Regulation – Implementation

- Implementation of the Codes of Practice scheme now in progress
 - Support materials in preparation
 - National workshop for dissemination on 26th January 2010
 - Criteria for success being developed
 - Work begun on establishing the Monitoring Group
- Reporting Requirements for Charities
 - Convergence of UK and Irish GAAP with IFRS
 - Implications for the future shape of Charity Reporting
 - ASB Consultation
 - Dept CRaGA with ICTR organising an information Seminar – 12th January 2010

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Research Information & Collaboration

- TCD CNM Research on Income and Fundraising Trends - with The Ireland Funds (May 2009)
- FGS Report on Tax and Regulatory Policy to encourage philanthropy – with Philanthropy Ireland (Sept. 2009)
- Seminar on Charities Act 2009 with Mason Hayes and Curran (May 2009)
- Seminar on strategic use of charity property with WK Nowlan & Associates (Sept. 2009)

Our New Look and Why!



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