

Tax Relief on Donations to UCD Foundation

UCD Foundation Ltd is a registered charity (Reg. No. CHY12448) and a limited company registered in Dublin, Ireland (Reg. No. 266667). It is an approved body within the meaning of Section 848A of the Taxes Consolidation Act 1997.

The nature of tax relief on donations will depend on whether the donor is a PAYE-only taxpayer or a Self-Assessed Individual or a Company.

Frequently asked questions

What Donations qualify for tax relief?
Is there a restriction on tax relief available?
What Tax Relief can I claim?
Tax Relief for PAYE-only taxpayers
Tax Relief for Self-Assessed Individual
Tax Relief for Company donations
I pay tax through both PAYE and Self-Assessment

What Donations qualify for tax relief?

Under the terms of Section 848A of the Taxes Consolidation Act 1977, a donation to UCD Foundation must also satisfy the following conditions:

- Tax Relief is available on donations of €250 or more in any one tax year
- It must be in the form of money or designated securities or a combination of money and designated securities
- It must not be repayable
- It must not confer any benefit on the donor or any person connected with the donor
- It must not be conditional on, or associated with, any arrangement involving the acquisition of property by UCD Foundation

Is there a restriction on tax relief available?

Yes.

- Where there is a direct association between the donor and UCD Foundation at the time of the donation e.g. where the donor is an employee, tax relief is restricted to 10% of the total income of the individual for the relevant year of assessment
- From the 1st January 2007 under the 2006 Finance Bill, individuals with income in excess of €250,000 who have specified tax reliefs available to them have been restricted in the amount of tax relief they can claim each year. The specified reliefs that a person will be able to apply against their taxable income will be restricted to 50% of their gross income in any one tax year. Any excess reliefs will however be available for "carry-forward" to the following and subsequent years, subject to the 50% income cap.

What Tax Relief can I claim?

Tax relief on donations will depend on which tax category you are;

- PAYE-only
- Self-assessed Individual
- Company

PAYE-only

If you are a PAYE-only taxpayer, the tax relief is given directly to the UCD Foundation on a grossed up basis at the end of the tax year.

UCD Foundation can reclaim an extra 25% of the value of your donation if you are an individual on standard rate tax of 20%. This equates to an extra 59% in value if you are an individual on the higher rate of tax 41%

In order for UCD Foundation to claim the tax relief, all PAYE-only donations above €250 require a CHY2 form to be completed and returned to UCD Foundation. You will receive a CHY2 form from UCD Foundation automatically.

If you need a form sent to you or if you require any assistance completing the form please email: ucdfoundation@ucd.ie

How much more my donation is worth? – PAYE-only taxpayers Examples

(1)	Individual on standard rate of tax:	20%
	Donation amount	€250.00
	Value to UCD Foundation	€312.50

UCD Foundation can claim repayment of €62.50 from the Revenue after the tax year end.

(2)	Individual on Higher rate of tax:	41%
	Donation amount	€250.00
	Value to UCD Foundation	€423.72

UCD Foundation can claim repayment of €173.73 from the Revenue after the tax year end.

Self-Assessed Individual

If you are a Self-Assessed taxpayer or if you pay a portion of your tax under the self-assessment system but also pay tax under the PAYE tax system, you claim the tax relief as a deduction on your tax return. UCD Foundation is an eligible charity and will issue a receipt.

If you require a tax receipt please contact us at ucdfoundation@ucd.ie

How much tax relief can I claim? – Self-Assessed taxpayers Examples

(1)	Individual on standard rate of tax:	20%	
	Individual donates	€250.00	
	Value to UCD Foundation	€250.00	
	Cost to Taxpayer	€200.00	[Tax relief available of €50.00]

(2)	Individual on standard rate of tax:	41%	
	Individual donates	€250.00	
	Value to UCD Foundation	€250.00	
	Cost to Taxpayer	€147.50	Tax relief available of €102.50]

Company Donation

Companies claim a deduction for donations as if it were a trading expense. UCD Foundation is an eligible charity and will issue a receipt.

If you require a tax receipt please contact us at ucdfoundation@ucd.ie

How much tax relief can the company claim?

Assuming Corporate Tax Rate of 12.5%

Company donates	€1,000	
Value to UCD Foundation	€1,000	
Cost to Company	€875	[Tax Relief available of €125]

I pay tax through both PAYE and self-assessment?

In the case of a donation made by an individual who pays a portion of tax under the Self-assessment system but who also pays tax under the PAYE tax system, the individual claims the tax relief