



Tax Issues relating to the GAA

Revenue has advised that they will be visiting units in the coming months to review their tax affairs. Over the past number of months we have met with The Revenue Commissioners to seek clarification on items and how they should be dealt with from a tax perspective. The guidance is as follows:

Records to be kept

As regards the reimbursement of expenses of travel and subsistence, records for the following should be kept:

- (1) The name and address of the recipient;
- (2) The date of the journey;
- (3) The reason for the journey;
- (4) The starting point, destination and finishing point of the journey and the distance involved;
- (5) The basis for the reimbursement of travel and subsistence expenses; and
- (6) The amount of expense paid.

As regards the reimbursement of actual expenses necessarily incurred vouched by receipts, such receipts must be retained and the records at (1) to (6) above must be kept.

The period of retention of records is 6 years after the end of the tax year to which they records refer.

Payments & Benefits payable to Managers, Management Team, Players, Officials, Referees, etc.

The Association does not allow payments under our Amateur Status rule but Revenue have also outlined that the following items are taxable:

- Salary, Wages, expenses, bonuses, grants, honoraria, perquisites, benefits etc.;
- Inducement payments;
- 'Round Sum' expenses payments (eg a lump sum payable, say, weekly, monthly or other such periodic payments deemed to cover "expenses");
- Round Sum fees for, say, straining sessions (for example, €x per training session);
- Payment in respect of a potential loss of occupational or other earnings (e.g. monies to compensate for an individual's absence from his/her other occupation)
- Payment of bills on behalf of individuals;
- And such like (regardless of the source or manner of the payment/benefit) are taxable.

However, set out below are the circumstances under which Revenue are prepared to allow tax free reimbursement of expenses to Manager, Management Teams, Players, Officials etc.

(1) Expenses

It is a long established principle of tax case law that the expenses incurred in travelling from home to work to home are expenses which are **not** necessarily incurred in the performance of the duties of Players & Managers & Officials and the reimbursement of such expenses is taxable and subject to PAYE

Revenue are prepared to accept that the reimbursement of expenses of travelling and subsistence to individuals involved in GAA games – for example, managers of sports teams, management team, players, officials and such like – may be paid tax-free provided that such reimbursement –

- (a) Is the only payment made to the individuals;
- (b) Merely put the individuals in a position to attend training, games or meetings; and
- (c) No more than reimburses the individuals the expenses actually incurred by him/her to attend training, games or meetings and do not exceed what are known as the Civil Service rates for reimbursement of expenses of travel and subsistence.

This is subject to proper books and records being maintained and the expenses that may be reimbursed free of tax should be based on the shorter distance between an individual's home and the designated County or Club training ground/meeting venue and any shorter actual distance which the individual may have to travel to training (e.g. where the individual travels to training directly from work and this is a shorter distance).

- (2) **Meals provided after training** – a taxable benefit does not arise. However, a subsistence expenses should not be paid free of tax in such circumstances.

Who must account for the tax etc. Under the PAYE system

The Payer of the emoluments has an obligation to make statutory deduction such as tax, PRSI and the Universal Social charge when paying such emoluments and to account for such deductions to the Collector-General.

Where such deductions are not made, Revenue will apply whatever statutory remedies they deem necessary to recoup from the Payer the necessary tax.

Payments to Casual Employees (e.g. Stewards Stiles Personnel & Ticket Sellers)

Payments to casual employees at games are taxable and the appropriate deductions should be made under the PAYE system. Where the name and the PPS number of the casual employee is provided, Revenue are prepared to accept that, for ease of administration, tax at an agreed rate of 28.5% can be used.

Car provided by the GAA or a Sponsor

Where a car is provided by the GAA to individuals who play team sport, manage such teams or to the Officers of the GAA and is available for the private use of the individual, a taxable benefit arises. The person who provides the car must account (under the PAYE system) for the tax, PRSI and USC on the notional income amount of the benefit provided.

Clothing

The Revenue Commissioners are prepared to accept that the provision of team/club/county clothing and sports gear to players at reasonable cost will not give rise to a charge to tax.

Foreign Trips

Where a foreign trip is part of a training camp/schedule or tied to a promotional game, the Revenue Commissioners are prepared to accept that no charge to tax arises in respect of the provision of such trips.

However, this tax treatment is not available in respect of trips where individuals may receive payment in lieu of participating in such a trip. (i.e. the cost of the provision of the trip or payment in lieu is taxable).

Gymnasium Subscriptions paid on behalf of Players

The Revenue Commissioners are prepared to accept that a charge to tax will not arise where gym subscriptions are paid on behalf of players who are required to maintain levels of fitness as an integral part of a team training regime.

Payment to Tutors

Payments to tutors are taxable and the appropriate deductions under the PAYE system must be made from such payments. The normal rules as regards the tax treatment of reimbursement of expenses of travel and subsistence apply.