

## **Tax Relief for Donations to Certain Sports Bodies**

## 1. Introduction

Section 41 of the Finance Act 2002 inserts a section 847A into the Taxes Consolidation Act 1997 providing for a scheme of tax relief for *relevant donations* to an *approved sports body* for the funding of *approved projects*. The scheme is applicable only to relevant donations received on or after 1 May 2002 in respect of expenditure incurred on *approved projects* on or after that date. The minimum qualifying total donation amount by a single donor in any year to an individual sports body is €250. No project will be approved which is estimated to cost in excess of €40m. However, where the aggregate cost of a project actually exceeds this amount, relief may only be claimed on donations up to the €40 million threshold.

## 2. What does it mean for my club/organisation?

If your club or organisation is acquiring land or a building, developing facilities or purchasing fixed, non-personal equipment for sports activities, or repaying a loan for these purposes, this provision in the Finance Act provides an incentive to individuals or companies to make a donation towards the cost of the project.

## 3. What is an approved sports body?

An *approved sports body* is one which holds –

- certification from the Revenue Commissioners that the body is one to which section 235 of the Taxes Consolidation Act 1997 applies, in other words, it is a body established and existing for the sole purpose of promoting an athletic or amateur game or sport whose income is exempt from income/corporation tax, and
- a current tax clearance certificate

A list of approved sports bodies is available on the Revenue website at [www.revenue.ie](http://www.revenue.ie)

## 4. How does an organisation or club become an 'approved sports body'?

It is up to the organisation or the sports club to apply to the Revenue Commissioners to obtain the certificates outlined at 3 above. **This is the first step to be taken by the sports body.**

All applications for section 235 certification should be made to:

Office of the Revenue Commissioners,  
Games/Sports Exemption Section,  
Government Buildings,  
Nenagh, Co Tipperary

All applications for Tax Clearance Certificates should be made to the body's local Revenue Office, whose contact details may be found by referring to the "Contact Locator" on the home page of the Revenue Website [www.revenue.ie](http://www.revenue.ie)

When the Revenue Commissioners have issued the appropriate certification, the applicant is then regarded as "an approved sports body" under the Act and will be allocated a GS (Games and Sports) exemption number to be used in all further correspondence.

**5. What is an approved project?**

An "approved project" in relation to an approved sports body, means one or more of the following:

- the purchase, construction or refurbishment of a building or structure, or part of a building or structure to be used for sporting or recreation activities provided by the approved sports body,
- the purchase of land to be used by the approved sports body in the provision of sporting or recreation facilities,
- the purchase of permanently based equipment (excluding personal equipment) for use by the approved sports body in the provision of sporting or recreation facilities,
- the improvement of the playing pitches, surfaces or facilities of the approved sports body, and
- the repayment of, or the payment of interest on, money borrowed by the approved sports body on or after 1 May 2002 for any of the above purposes.

**6. How is the project approved?**

Projects coming under the categories outlined in 5, which are clearly undertaken by approved sports bodies to provide facilities to promote and develop athletic or amateur games or sports will be considered for approval for the purposes of this scheme by the

Department of Transport, Tourism and Sport. The approved sports body must submit details of the capital project to the Sports Unit of the Department of Transport, Tourism and Sport on a standard application form (copy attached at **Appendix 3**). **This is the second step to be taken by the sports body.**

A checklist of the documents that must be submitted with each application for approval of a project is attached at **Appendix 4**.

If the Department of Transport, Tourism and Sport is satisfied that the project comes within any of the categories outlined in 5 above, a certificate will be issued to the approved sports body stating that the project is an approved project for the purpose of the tax relief.

The Minister for Transport, Tourism and Sport has the power to revoke a certificate.

## **7. Nature of Tax Relief and Issue of Receipts**

The arrangements for allowing tax relief for donations will depend on whether the donor is:

- a PAYE taxpayer **or**
- an individual on self-assessment **or**
- a company

### **7.1. Paye Taxpayer**

For PAYE taxpayers, the relief will be given on a “grossed-up” basis to the approved sports body, rather than by way of a separate claim to tax relief by the donor. In other words the donation will be treated as having been received by the approved sports body ‘net’ of income tax. For example, if an individual who pays income tax at the higher rate - 41% - makes a qualifying donation of €590 to an approved sports body, that body will be deemed to have received €1,000 less tax of €410. The body will then be able to claim a refund of €410 from the Revenue Commissioners at the end of the year i.e. the amount of tax already paid by the taxpayer on the net sum of €590.

The individual PAYE donor must complete an “**Appropriate Certificate**” – see **Appendix 1** – and forward it to the approved sports body, to allow it to claim the grossed up amount of tax associated with the donation. For repayment purposes, the details contained in the Appropriate Certificates must subsequently be forwarded by the approved sports bodies to Revenue with a declaration that the details are correct and complete. Each application for a repayment must be accompanied by a completed **form 847A "Claim for Repayment"** (available from the tax office). The repayment claims should be sent to the Sports Bodies local Revenue Office. Please refer to the Contact Locator on the home page of the Revenue Website [www.revenue.ie](http://www.revenue.ie) to obtain contact details of your local Revenue Office.

**(It should be noted that where sufficient tax has not been paid to cover the donation made, the refund of tax to the approved sports body will be limited to the amount of tax actually paid by the donor).**

**A donor who is taxed under the self-assessment system (see 7.2 below) but who is also a PAYE taxpayer must claim the relief on his or her return of income under the self-assessment system. A donor in these circumstances should not complete the appropriate certificate.**

**7.2. Self-employed and corporate donors**

In the case of a donation made by an individual who pays tax on a self-assessment basis, the individual will be entitled to claim a tax deduction for the donation in computing his or her total income - there is no grossing up arrangement. Similarly, in the case of corporate donations, the company will be entitled to claim a deduction for the donation as if it were a trading expense or an expense of management in computing total profits of the company for the relevant accounting period.

An approved sports body, on acceptance of a relevant donation from a self-employed or corporate donor, must give the donor a receipt. The receipt must contain the name and address of the person or company making the donation, the amount of the donation and the date it was made and the name of the sports body in receipt of the donation. The receipt must be dated and signed. The receipt must also contain a statement that it is a receipt for the purposes of section 847A of the Taxes Consolidation Act 1997 (as inserted by section 41 of the Finance Act 2002), that the donation is to an approved sports body and is relevant for the purposes of relief under the said section. **A draft of a sample receipt is attached at Appendix 2.**

**8. What is a relevant donation?**

A donation will be a relevant donation where it satisfies the following conditions;

- It is made in the form of a sum of money
- It is made to the approved sports body for the sole purposes of funding an approved project,
- It is or will be applied by that body for that purpose,
- It is not otherwise deductible in computing the profits or gains of a trade or profession or deductible as an expense of management in computing the profits of a company,
- It is not a relevant donation qualifying for tax relief under section 848A TCA, 1997 (donations to approved bodies e.g. charities),
- It is not subject to repayment,
- neither the donor nor any person connected with the donor receives a benefit, whether directly or indirectly, as a result of making the

donation, (e.g. a person will be regarded as receiving a benefit where the donation is in substitution in full or in part for an annual membership fee/subscription, or where the donation entitles the donor to rights or enhanced rights or facilities etc not available to members who have not made a donation),

- the donation is not conditional on or related to the acquisition of property by the approved sports body (otherwise than by way of gift) from the donor or any person connected with the donor, and
- in the case of a donation made by an individual, the individual is resident in the State for the year of assessment in which the donation is made, and in the case of PAYE taxpayers, the individual has given an **appropriate certificate** to the approved sports body in relation to the donation and has paid the tax referred to in such certificate and is not entitled to a repayment of that tax or any part of that tax.

**When an approved project becomes fully funded the approved sports body should not accept further donations or issue receipts in respect of that project under this scheme.**

#### **9. What Records and Accounts must the approved sports body keep?**

The approved sports bodies will be obliged to keep formal financial records, books and accounts in relation to its income and expenditure including donations received and expenditure incurred on approved projects. Ideally, a separate bank account should be set up for the lodgement of all donations received under this scheme.

The Revenue Commissioners may seek to audit the financial records of a sports body by giving notice in writing.

Approved sports bodies will be required to submit annual progress reports to the Sports Unit of the Department of Transport, Tourism and Sport, the first report being due one year from the date of the approval letter itself. The progress report should outline work completed on an approved capital project and the timetable for remaining works (if any). It should also list the total donations received under this scheme, with a breakdown of the amounts received from PAYE donors, self-employed donors and corporate donors.

In addition, should the approved sports body apply for funding under the Department of Transport, Tourism and Sport's Sports Capital Programme, details of the amounts of donations received under this tax relief scheme will have to be furnished to the

Department by the body concerned. Applications for funding under the Sports Capital Programme must be made separately.

*While every effort is made to ensure that the information given in this leaflet is accurate, it is not a legal document. Responsibility cannot be accepted for any liability incurred or loss suffered as a consequence of relying on any matter published herein.*

**September 2014**

(To be completed by PAYE taxpayers only – See Note 1 overleaf)



**TAX RELIEF FOR DONATIONS TO APPROVED SPORTS BODIES**  
**“Appropriate Certificate” for the purposes of Section, 847A Taxes Consolidation Act, 1997.**

(BLOCK CAPITALS PLEASE)

I certify that I \_\_\_\_\_ (name) have made a donation  
to \_\_\_\_\_ (approved sports body – See Note 2  
overleaf)

in the sum of (in words) \_\_\_\_\_ € (Total donated).  
in the year ended 31 December, \_\_\_\_\_ (the relevant year of assessment) and that

- I was resident in the State for the relevant year of assessment,
- I have paid or will pay to the Revenue Commissioners income tax of an amount equal to income tax at the standard rate  at the higher rate  (Tick the appropriate box) for the above year on the grossed up amount of the donation (See Note 3 overleaf),
- neither I nor any person connected with me have received or will receive a benefit in consequence of having made this donation,
- the donation was paid in money,
- the donation was not subject to a condition as to repayment nor conditional on, or associated with, the acquisition of property by the approved sports body other than by way of gift, from me or a person connected with me, and
- the donation was not less than €250
- the donation is not a relevant donation to which Section 848A TCA, 1997, applies.

Signature \_\_\_\_\_ Date: \_\_\_\_\_ PPS No.:

Address: \_\_\_\_\_

*N.B. When you have completed this certificate, please forward it to the approved sports body to which you made your donation.*

<b>TO BE COMPLETED BY THE APPROVED SPORTS BODY</b>	<b>FOR REVENUE USE ONLY</b>
GS Reference Number: _____ Approved Project No _____ and Tax Reference Number: _____  Authorised Signatory _____	Income Tax associated with the donation and confirmed as paid € _____ Signature of Inspector of Taxes _____  Date: _____  District Stamp:



## Notes.

1. **A donor who is taxed under the self-assessment system but who is also a PAYE taxpayer must claim the relief on his or her return of income under the self-assessment system. A donor in these circumstances should not complete the appropriate certificate overleaf.**
2. **An "approved sports body" means a body which is in possession of (a) a certificate from the Revenue Commissioners certifying that it is a body of persons to which section 235 Taxes Consolidation Act, 1997 applies and (b) a valid Tax Clearance Certificate.**
3. **The phrase "grossed up amount of the donation" means the amount, which after deducting income tax, leaves the amount of the donation. For example,**
  - **On the *standard rate* of 20%, the grossed up amount of the donation of €500 is €625 (i.e. €500 x 100/80). The tax associated with the donation is €125.**
  - **On the *higher rate* of 41%, the grossed up amount of a donation of €500 is €847 (i.e. €500 x 100/59). The tax associated with the donation is €347.**

APPENDIX 2

***Sample Receipt for Relevant Donation made to an Approved Sports Body***

This is a receipt given, in respect of the amount stated hereunder, for the purposes of section 847A of the Taxes Consolidation Act, 1997 (as inserted by section 41 of the Finance Act 2002.)

The sports body named hereunder is deemed by the Revenue Commissioners to be an approved sports body for the purposes of section 847A Taxes Consolidation Act, 1997. The donation in respect of which this receipt is given is a relevant donation for the purposes of that section.

**Full name of approved sports body**

\_\_\_\_\_

**GS Reference Number** \_\_\_\_\_

Is the person making the donation an individual  or a company  (*tick as appropriate*)

**Name of the individual or company making the donation**

\_\_\_\_\_

**Address** \_\_\_\_\_

\_\_\_\_\_

**Amount of the donation: (a) €** \_\_\_\_\_

**and (b) in words** \_\_\_\_\_

**Date on which the donation was made**

\_\_\_\_\_

**Name** \_\_\_\_\_  
(*Block Capitals*)

**Capacity** \_\_\_\_\_  
(*e.g. Chairperson, Hon. Secretary, Hon. Treasurer etc.*)

**Signature** \_\_\_\_\_

**Date** \_\_\_\_\_

**Application for Approval of a Sports Capital Project for Tax Relief Purposes**

(Section 847A Taxes Consolidation Act, 1997)

Issued by the Department of Transport, Tourism and Sport,  
Sports Capital Unit, New Road, Killarney, Co. Kerry

**To be completed by a representative of the Sports Body**

Name of Sports Body: \_\_\_\_\_

Address: \_\_\_\_\_

GS Exemption Number: \_\_\_\_\_

Tax Ref. No. \_\_\_\_\_

Date granted: \_\_\_\_\_

Tax Clearance Cert. No. \_\_\_\_\_

Expiry Date: \_\_\_\_\_

Estimated total cost of the capital project: \_\_\_\_\_

Description of capital project. Tick all that apply.

*(A more detailed description must also be provided separately for evaluation purposes)*

- the purchase, construction or refurbishment of a building or structure, or part of a building or structure, to be used for sporting or recreation activities provided by the approved sports body,
- the purchase of land to be used by the approved sports body in the provision of sporting or recreation facilities,
- the purchase of permanently based equipment (excluding personal equipment) for use by the approved sports body in the provision of sporting or recreation facilities,
- the improvement of the playing pitches, surfaces or facilities of the approved sports body
- the repayment of, or the payment of interest on, money borrowed by the approved sports body on or after 1 May 2002 for any of the purposes mentioned above.

I hereby confirm that we are a body authorised by Revenue as an approved sports body for the purposes of Section 41 of the Finance Act 2002

Name in Block Capitals: \_\_\_\_\_ Daytime Tel No. \_\_\_\_\_

Address (if different from above): \_\_\_\_\_

Position Held / Relationship to Sports Body \_\_\_\_\_

Signature \_\_\_\_\_ Date \_\_\_\_\_

## Checklist

The following documents must be included with each application to the Sports Unit

- Certification from the Revenue Commissioners that the body is one to which section 235 of the Taxes Consolidation Act 1997 applies
- a current valid tax clearance certificate
- a written description of the project covering all works involved, materials being used, equipment being purchased, timescales, date of commencement, approx. of costs, etc

The following documents should also be enclosed in cases where they are applicable

- copy of valuation report on any land or buildings being acquired
- copy of any quotations or tenders received to date in connection with the project
- copy of all related loan applications, letter advising of approval and draw-down date as well as details of repayment arrangements where applicable

## CONTACT DETAILS

Sports Capital Unit  
Department of Transport, Tourism and Sport  
New Road  
Killarney  
Co. Kerry

Tel No. (064) 6627367

E-mail address [catherineryan@dtas.ie](mailto:catherineryan@dtas.ie)

Website: [www.dttas.ie](http://www.dttas.ie)

### **To obtain certification under Section 235 of the Taxes Consolidation Act 1997**

Office of the Revenue Commissioners  
Games/Sports Exemption Section  
Government Offices  
Nenagh  
Co Tipperary  
Tel: 067 63304  
LoCall 1890 666 333  
Fax No. (067) 32916  
E-mail address: [sportexemp@revenue.ie](mailto:sportexemp@revenue.ie)  
Website: [www.revenue.ie](http://www.revenue.ie)

### **To obtain a tax clearance certificate**

Please contact your local Revenue Office.

Website: [www.revenue.ie](http://www.revenue.ie)

[Refer to Contact Locator for contact details of your local Revenue Office.](#)



**RELIEF FROM INCOME TAX  
AND CORPORATION TAX  
FOR CERTAIN  
SPORTING BODIES**

## 1. Introduction

This leaflet outlines:

- the tax exemptions for Games/Sports bodies.
- the eligibility conditions for exemption.
- how a Games/Sports body may apply for exemption.
- the conditions that apply once exemption has been granted.

## 2. Relief from certain taxes for games/sports bodies

The tax code provides exemption for Games/Sports bodies as follows:

- Income Tax/Corporation Tax - Section 235, Taxes Consolidation Act 1997
- Dividend Withholding Tax - Chapter 8A, Part 6 Taxes Consolidation Act 1997
- Capital Gains Tax - Section 610, Taxes Consolidation Act 1997

### NB

- employees of a Games/Sports body are liable to income tax in the ordinary course under the PAYE system
- there is no general exemption in respect of VAT for a Games/Sports body,
- the exemption does not apply to Deposit Interest Retention Tax (DIRT) or Stamp Duty.

Further enquiries with regard to PAYE and VAT issues may be made to your local tax office.

## 3. What bodies are eligible to apply for games/sports tax exemption?

The exemption applies to an “approved body of persons” i.e. an organisation established for and existing for the sole purpose of promoting an athletic or amateur game or sport and whose income, as is shown to the satisfaction of the Revenue Commissioners, is income which has been or will be applied for the sole purpose of promoting that athletic or amateur game or sport. The body must be a not for profit, member controlled and owned organisation. It must be legally established in the State and have its centre of management and control therein. The majority of its trustees/directors/officers, as appropriate, must be resident within the State. A body, which is refused exemption, has a legal right to appeal that decision to the Appeal Commissioners who are independent of the Revenue Commissioners.

## 4. Applying for exemption from tax

When a games/sports organisation wishes to apply for exemption from Income/Corporation/Dividend Withholding/Capital Gains Tax on the basis that it is established for the sole purpose of promoting an athletic or amateur game or sport, it must submit a completed Declaration to the Revenue Commissioners. A copy of the Declaration is attached to this leaflet and may be detached by tearing along the perforated edge

## 5. Conditions attaching to the exemption

Where exemption is granted,

- proper financial records and accounts must be kept and made available to the Revenue Commissioners for inspection on request. Details of activities being conducted by the body may also be requested;
- if the body proposes to make any changes in its Governing Instrument to its main object(s) and/or the application of its income or property clauses, same shall not be made unless they shall have been previously submitted to and approved in writing by the Revenue Commissioners.

**Declaration to be made by a Games/Sports Body for the purpose of claiming tax exemption under the provisions of Section 235, Taxes Consolidation Act, 1997.**



**PART A - DETAILS OF BODY (PLEASE USE BLOCK CAPITALS)**

1. Name of Body:

2. Tax Reference Number (if any):

3. Address:

E-mail Address:

Mailing Address:

4. Please specify the athletic or amateur game or sport which is being promoted:

5. Please specify the type of legal instrument which governs the operation of the Body  
Memorandum of Association  Deed of Trust  Constitution/Rules  None

6. No. of Employees (if any): Full Time:   
Part Time:

7. Sources of annual income (please tick each as appropriate):  
Subscriptions  Fund-raising  Sponsorship   
Lottery Operation  Grants  Rent   
Bar/Catering Profit  Investments  Other (specify)

8. Please specify the following amounts in Euro.  
Gross Annual Income: €   
Current accumulated surplus : €   
Annual sales volumes of any trading being conducted.  
Bar : €  Catering : €  Shop : €   
Other (specify) €

9. Is any Trustee/Director/Officer in receipt of remuneration from the Body?:  
If yes, please provide details,

**PART B -DECLARATION**

I, \_\_\_\_\_ as Chairperson/Secretary of \_\_\_\_\_ hereby formally declare that the above named body of persons has been established for and exists for the sole purpose of promoting the athletic or amateur game or sport of \_\_\_\_\_.

I further declare that the income of the above named body is income which has been or will be applied solely for that purpose and I hereby claim exemption from Income Tax/Corporation Tax in respect thereof under the provisions of Section 235, Taxes Consolidation Act, 1997.

I also confirm that:

- a copy of the Body's Governing Instrument shall be made available to the Revenue Commissioners on request and any changes to its main object(s) and or the application of its income or property clauses, as contained in said Governing Instrument, shall not be made unless they have been previously submitted to and approved in writing by the Revenue Commissioners
- annual accounts of the Body shall be kept and made available to the Revenue Commissioners on request;
- in the event of the winding-up of the Body there remains, after satisfaction of all its debts and liabilities, any property whatsoever, the same shall not be paid to or distributed among the members of the Body. Instead, such property shall be given or transferred to some other institution or institutions having main objects similar to the main objects of the Body or for charity;
- the Body's Governing Instrument currently reflects these conditions; and
- such other information as may reasonably be required to determine the eligibility of the Body for tax exemption shall be supplied to the Revenue Commissioners on request

I certify that the information given at Parts A and B of this Declaration is correct to the best of my knowledge and belief.

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

Daytime Tel. No. \_\_\_\_\_

The completed Declaration should be sent to:

Office of the Revenue Commissioners,  
Games/Sports Exemption Section,  
Government Offices,  
Nenagh,

Co. Tipperary.

Tel No. (067) 63308

LoCall 1890 666333 (if phoning from outside Dublin)

Fax No. (067) 32916

E-mail address: [sportexemp@revenue.ie](mailto:sportexemp@revenue.ie)

Revenue Commissioners Website: [www.revenue.ie](http://www.revenue.ie)

*It is an offence to knowingly or wilfully furnish any incorrect information in connection with any tax (Section 1078(2)(a) Taxes Consolidation Act 1997 refers).*

*It should be noted that the Revenue Commissioners can make available to any person the name and address of any games/sports body which has been granted exemption from tax.*