

the following year (confirming your contributions).

If you are self-assessed for income tax, or pay a combination of PAYE income tax and self-assessed income tax, or are a business owner, give the receipt from the parish to your tax advisor.

## Is it worth the trouble?

In short? Yes! The scheme helps recognise the good that people do for their local charities including the parish. Once a parishioner decides to use it in the parish, they don't have to do anymore except use the special envelopes.

The value of the scheme is linked to the tax band that a parishioner may be on and this may vary. Nonetheless, these examples may help:

'Mary' pays her tax in PAYE and she contributes €250 over the course of the year to the parish. She is taxed at the 20% rate. At the end of the year, the parish can claim back an extra €62.50 from Revenue.

'Patrick' pays his tax in PAYE also and he contributes €250 over the course of the year to the parish. He is taxed at the 42% rate. At the end of the year, the parish can claim back an extra €181 from Revenue.

'Jason' is self-employed, pays tax at the 20% rate, and donates €500 to the parish refurbishment fund. His receipt entitles him to treat the donation as a business expense and he saves €100 in tax.

'Eileen' works part-time as a PAYE tax payer and also has some self-assessed income tax to pay. She is taxed at the 42% rate. She donates €500 to the parish collections during the year. She saves €210 in tax.

## FAQ

### Who knows how much I give?

Each parishioner's donations are treated as confidential by the parish. Weekly amounts are recorded using anonymous

numbers. At the end of the year, the receipt is issued in the post by the priest who acknowledges the donation.

### Will the priests benefit?

The scheme is for the benefit of parish funds. Any tax funded by Revenue is used for the charitable purposes of the parish.

### What happens when I go to Mass elsewhere?

You can use our parish envelopes in other parishes when you travel and the envelope will normally be returned to your parish.

### Does each family member need an envelope?

Each income earner is welcome to have their own individual number and set of envelopes if they so wish. Children may put their contribution into the envelope of a parent before Mass – or they may place money directly into the basket.

### Further information:-

Diocese of Cork and Ross  
[www.corkandross.org](http://www.corkandross.org)

The Revenue Commissioners  
[www.revenue.ie/en/personal/charities.html](http://www.revenue.ie/en/personal/charities.html)

*The generosity of those who constantly support the mission of the church in your parish is much appreciated.  
Thank You.*

# Tax Relief on what you give to ...

PARISH  
COLLECTIONS

MISSION SUNDAY

BUILDING FUND

MARRIAGE CARE

LOURDES FUND

PETER'S PENCE

... and other collections in the parish

## Tax relief on your offerings to the parish

Charities, including the parish, do as much as they can with donations they receive. This includes managing their resources well and maximising the benefit from donations.

Charities do not like asking their donors to keep giving more. The parish is no different in this respect.

The parish can maximise the benefit from donations by parishioners and also lighten the cost of donations through benefitting from a scheme which gives tax relief on donations.

The Irish Government introduced the “Scheme of Tax Relief for Donations to Charities and Eligible Bodies” in the Finance Act 2001. Since then, many charities have been advising their donors about the benefits. Parishes have also been introducing the scheme to parishioners.

With the help of Parish Finance Committees, all parish funds can benefit from this scheme. Parishioners who pay income tax can also benefit by putting some of their tax to work locally and by reducing the amount of tax they pay.

### How does it work?

Each parishioner who pays income tax needs to make their weekly and other regular contributions to the parish using specially printed envelopes which the parish will provide each year. This means that instead of putting loose money in the collection baskets at Mass, for example, they will put the money in an envelope and place the envelope in the basket.

The envelopes do not have people’s names on them – but have the name of the parish and a unique number for each parishioner.

The weekly collections at Mass and other special collec-

tions are then recorded confidentially by the parish.

At the end of the year, each parishioner who participates by using the envelopes will get a private receipt from the parish, recording the total they contributed during the year.

If the parishioner is a PAYE tax payer, the parish can claim back from Revenue some of the tax already deducted for the parishioner.

If the parishioner pays income tax on a self-assessed basis (self-employed, etc) the parishioner can reduce their tax liability by showing the donations they have made to the parish as an expense.

The parish ensures that people’s donations are kept confidential and the parish does not have access to any parishioners private details about their income or tax.

### PAYE tax payers

Parishioners who pay income tax through PAYE have already had their tax deducted before they make any donation to their parish or another charity. In other words, the PAYE tax system assumes they are taking the money for their own use. When they give part of their income to the parish, Revenue also gives the parish the part of their tax that corresponds to their donation.

### Other tax payers

The scheme works in a different way for parishioners who pay income tax on a self-assessment basis, as business owners, or through a combination of PAYE and self-assessment, because they have not yet paid their tax.

In this case, when they make a return of income to Revenue, they include the amount they have donated to the parish as an expense. In this way, they lower the amount of tax they will have to pay.

## Who can participate?

If you regularly contribute to the collections in the parish, you are welcome to use the special envelopes. This means you will get a receipt for your donations after the end of the year.

The question of tax relief only arises for people who pay income tax on the current year’s income.

It is also a condition of the scheme that the total of your contributions in one calendar year must be at least €250 before you can get any tax relief (*though this figure is subject to change by the government*).

## What conditions apply?

Under the terms of the legislation governing the operation of the Donations Scheme, tax relief can only apply to donations which:

- are €250 or greater in one year (an average of €5 per week)
- are in the form of money or shares, or a combination of money and shares
- are not repayable
- do not confer a benefit on the donor or any person connected with the donor, and
- do not involve the acquisition of property.

## What do I need to do?

Let the parish know that you wish to be included in the scheme.

The parish will give you a set of the special envelopes, with your own unique number and the dates printed on them. Use these envelopes to contribute to the collections.

If you pay PAYE income tax, sign and return to the parish the form which the parish will give you at the beginning of

