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CHARITIES VAT COMPENSATION SCHEME

A new scheme will be introduced to compensate charities for the VAT expenses they will incur in 2018.

In recognition of the work undertaken by charities, a new scheme, announced yesterday as part of Budget 2018 by Minister for Finance and Public Reform Paschal Donohoe, will be introduced to compensate them for the VAT they incur on their inputs. The scheme will be introduced in 2019 to compensate charities for their VAT expenses incurred in 2018. Charities will be entitled to a refund of a proportion of their VAT costs based on the level of non-public funding they receive

A capped fund of €5 million will be available to the scheme in 2019 and is subject to review after three years. Where the total amount of claims exceeds this amount, charities will be paid on a pro rata basis. To avail of the new scheme, qualifying charities must:

- be registered with the Charities Regulator;
- have tax clearance; and
- provide a set of audited accounts for the year in which the claim is being submitted.

For administrative purposes, the minimum claim that can be made is €500 and claims below this value will not qualify.

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