

## Tax refund for UK tax based donors

### **Donations by individuals:**

*Assuming a STG 1,000 donation is made to Child of Lebanon. The IR considers the "gross donation" to be STG 1,282 (grossed up at the basic rate of 22%)*

- *The donor, in the "Self Assessment" he fills for the IR, can reclaim<sup>1</sup> an 18% tax benefit, or STG 231 (1,282\*18%, or 23p for each Pound donated)*
- *In turn, Child of Lebanon, in its application to the IR, would receive direct from the IR a donation equal to 22% of the grossed up amount, or STG 282 (1,282\*22%, or 28p for each Pound donated).*

*Hence, a donation of STG 1,000 could translate for the donor to a net cash disbursement of STG 769 for an effective donation to Child of Lebanon of STG 1,282.*

The condition for the scheme (referred to as "Gift Aid") to apply is for the donor to be paying an amount of tax at least equal to the donation Child of Lebanon would receive from the IR.

*Please note that a donor can also nominate, directly in his Self Assessment return, a charity to receive all or part of any tax repayment he is entitled to. If you wish to have Child of Lebanon benefit from the repayment, kindly mention on your return the charity's code: **KAQ10XG** or if you fill you return on the Internet select Child of Lebanon as beneficiary.*

### **Donations by companies:**

The company can deduct the gift amount in computing its profits for corporation tax purposes for the accounting period in which the donation was made. As evidence of the donation, the company will need to provide the IR with reasonable evidence of the payment (transfer confirmation, bank statement...) or an acknowledgement from Child of Lebanon.

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<sup>1</sup> The donor can reclaim the tax only in the event he is a higher rate taxpayer, currently 40%