What are your views on charity taxation and charitable tax reliefs?

General Features

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The Charity Tax Commission recently launched a call for evidence seeking views and evidence from anyone with relevant knowledge, expertise or experience of the system of charitable tax reliefs in the UK. We would be keen to hear your views.

The Charity Tax Commission was established in October 2017 to undertake a full review of the impact of the tax system on charities. The commission is chaired by Sir Nicholas Montagu, a former chair of the Inland Revenue, along with a board of six commissioners with extensive charity, economic and fiscal expertise. CIOT is represented on the commission's Advisory group, which comprises individuals with expertise in taxation and finance issues.

The last comprehensive government review of charity taxation and reliefs took place over 20 years ago. Since then, the charity sector and the environment in which it operates have changed dramatically. The sector has grown significantly in scale, and charities now do more, including playing a much bigger role in the delivery of public services.

Tax relief for charities are estimated to be worth £3.77bn a year, including; business rates relief, Gift Aid and VAT relief, while reliefs for individuals are worth around £1.47bn. The aim of the commission is to ensure that the tax system and the reliefs it offers are still operating in a way that generates the maximum public benefit.

The commission has opened a call for evidence and is keen to receive thoughts about the effectiveness of the various current reliefs (which are summarised in the consultation document), and whether the existing system could be improved in order for charities to better serve their beneficiaries. The call for evidence is wide ranging; including VAT and other indirect taxes, Gift Aid and GADS, business rates and other property tax reliefs, CGT and IHT reliefs, as well as more 'niche' areas

such as Climate Change Levy and Lottery Duty.
We would welcome any comments you might have on these issues and would encourage you to send them to technical@ciot.org.uk or atttechnical@att.org.uk. The call for evidence closes on 6 July, so comments by 15 June would be most welcome.

The call for evidence and more information about the Charity Tax Commission can be found on the NCVO website.