

Tax Rebate for Buy a Brick – How it Works for the benefit of Sports Clubs

As a sports club, St. Brigid's GAA club can claim tax relief when an individual makes a donation under our Buy a Brick scheme. In order to claim this relief, the minimum contribution from the individual is €250 and it does not cost the individual anything extra.

An individual for this purpose means:

- A person who pays tax under the Pay As You Earn (PAYE) system only
- And **is not joint assessed** with a spouse or civil partner that pays tax under self-assessment

You cannot claim the tax relief if an individual:

- pays tax under PAYE and **is jointly assessed** with a spouse or civil partner paying tax under self-assessment

A. Example of how the rebate scheme works when a PAYE individual makes a donation

Example: Donation of €250 to St Brigid's in 2020 (or any tax year)

- (i) If in 2020, the individual paid tax at the standard rate of 20%, the donation of €250 is **80%** of the total donation.

To calculate the relief, the total donation is grossed up as follows $(€250/80) \times 100 = \mathbf{€312}$.

In this instance, the refund amount that can be claimed by St. Brigid's is **€62 on top of the €250 donation.**

- (ii) If in 2020, the individual paid tax at the higher rate of 40%, this means that the donation of €250 is **60%** of the total donation.

To calculate the relief, the total donation is grossed up as follows $(€250/60) \times 100 = \mathbf{€416}$.

In this instance, the refund amount that can be claimed by St. Brigid's is **€166 on top of the €250 donation.**

B. Example of how it works for Self-employed taxpayers

This category can claim relief on the amount themselves:

- Donation to club for example: €1000
- Tax Relief to donor: €410
- Actual Cost to donor: €590

C. Example of how it works for Companies

Company Directors: The company is allowed to claim a deduction for the donation as a trading expense;

Example: Donation to club - 2,000. The cost of that donation to a company that pays 12.5% is as follows:

- Tax relief to donor: €250
- Actual cost to donor: €1,750