

Charity – Will you be taxed?

Overview

Many of us give to charity on a regular basis and Gift Aid makes it all the more meaningful, but there is one point that you have to be aware of.

If you give regularly to charitable causes but pay less tax than necessary to cover your donation you may face an unexpected tax bill!

For every £100 you give as a charitable donation, a charity can claim £25 more in Gift Aid tax relief. But your total annual donations can't be more than four times what you pay in tax. Otherwise Mr Taxman at the HMRC can ask you to make good the shortfall.

Since the introduction of the new personal savings and dividend allowances, which mean that your first £1,000 of interest and £5,000 of dividends are exempt from tax – and the increased personal allowance, could mean that you no longer pay enough tax to cover your donations.

People whose taxable income has fallen should check that they are paying enough tax when they consider how much they are giving to charitable causes.

In conclusion

Remember, you can always leave a legacy to a charitable cause in your will, but before doing so it is wise to speak with your solicitor who will amend your will to reflect your wishes. But please don't let this word of caution stop you from supporting charitable causes and the wonderful work that they do.



AV Trinity support a number of local causes

The Hospice in the Weald



The Kit Wilson Trust



The Trinity Theatre



Pickering Cancer drop-in centre



3H - Helping Hands For Holidays



Please contact us

01892 612500 or 0800 668 1898 (Freephone)

info@avtrinity.com www.avtrinity.com



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