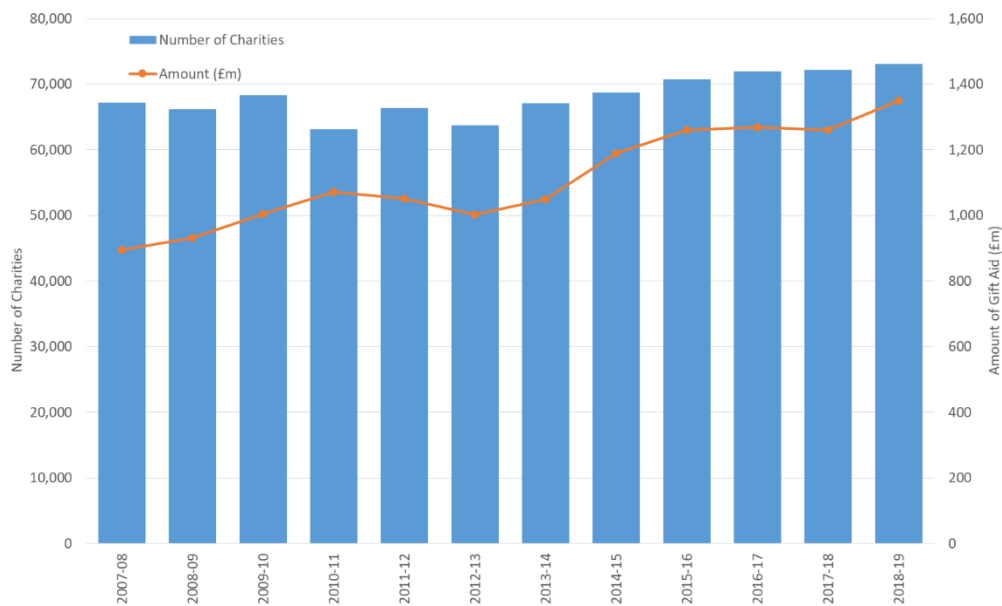




## Key points

- For 2018-19 the total amount of tax relief to charities is estimated to be £3,790m. This is an increase of over £100m since the previous tax year. The total amount of tax relief for individuals is estimated to be £1,530m for 2018-19. This is an increase of £30m on the previous tax year. Both continue to follow a long term upward trend.
- The largest relief for charities in 2018-19 continues to be Non-domestic Rate (“business rates”) Relief. It was £2,220m - an increase of £60m on 2017-18
- For reliefs to individuals following a charitable donation the largest contributors in 2018-19 continued to be Inheritance Tax Relief (£890m) and Higher Rate Relief (£520m).
- Just under half of the value of Gift Aid repayments went to a small number of charities that received more than £1m each, in line with previous years.
- The number of individuals declaring a donation via Self Assessment has plateaued in recent years at about 1.2 million. The total value of their donations has grown overall since 2007-08 and every year since 2011-12, with a value of £3,179m in 2017-18.

Figure 1: In 2018-19, over 70,000 charities received £1,350 million in Gift Aid



From 2007-08 to 2012-13, the figures above are by year of claim. From 2013-14, the figures above are by year of repayment.

## About this release

This publication is the annual update of UK Charity Tax Relief Statistics including the reliefs claimed by charities and individuals following a charitable donation. This publication contains new Charity Tax Relief Statistics for the year 2018-19 except those tables that are derived from Self Assessment data which are for 2017-18. This year also includes a supplementary release of experimental statistics covering how Gift Aid is distributed among charitable sectors. Accompanying statistical tables, experimental statistics, background information on the reliefs, and the methodology used to produce these statistics is available on our website.



Website: [www.gov.uk/government/collections/charitable-donations-and-tax-reliefs-statistics](http://www.gov.uk/government/collections/charitable-donations-and-tax-reliefs-statistics)  
 Statistical contact: Polly Shingler, 03000 579 488, [polly.shingler@hmrc.gov.uk](mailto:polly.shingler@hmrc.gov.uk)  
 Media contact: HMRC Press Office 03000 585 024, Out of hours: 07860 359 544  
 Publication date: 27 June 2019 Next publication date: June 2020  
 Frequency: Annual Coverage: UK Theme: Economy

## Related publications

Users of the UK Charity Tax Relief Statistics may also be interested in the [Charity register statistics](#) published by the Charity Commission, and the [UK Giving 2019](#) report published by the Charities Aid Foundation (CAF). Whilst HMRC cannot comment on the accuracy of external statistics, these documents seek to give complimentary coverage on the UK charity sector beyond just those donations which have a tax implication which these HMRC statistics consider.

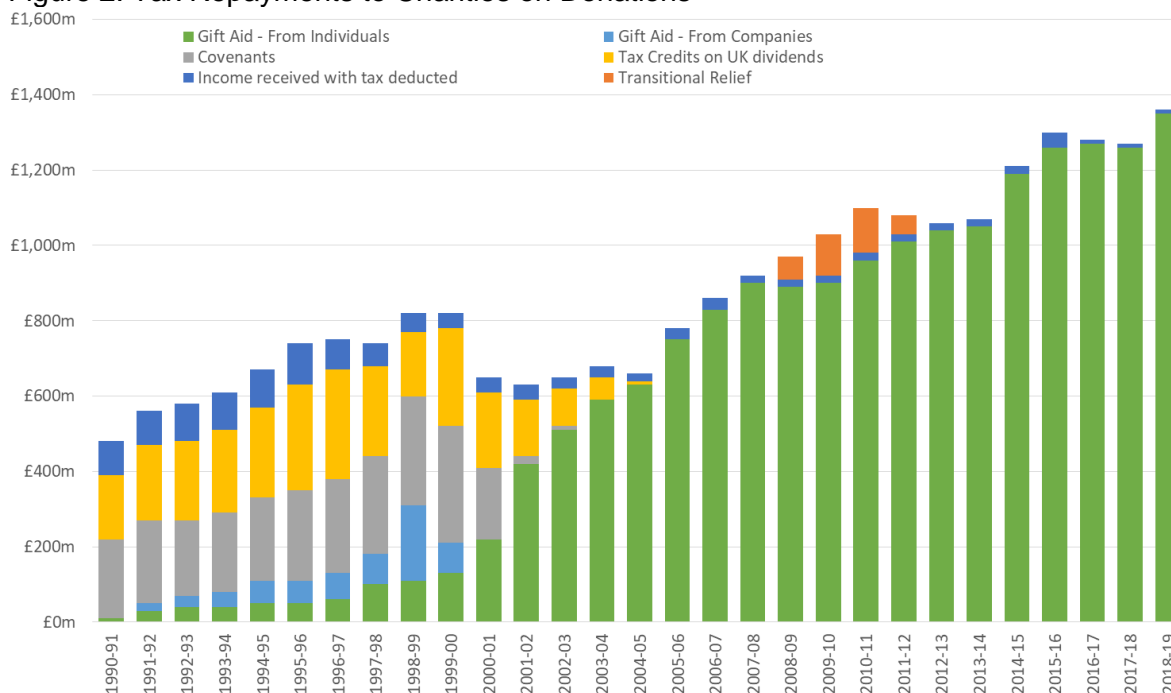
# Commentary

## Tax repayments to charities on donations – Tables 1 and 3

Some tax reliefs are paid to those individuals and businesses who donate to charity, and some are paid directly to charities who receive the donation. Of the reliefs currently paid directly to charities, Gift Aid is the best-known; in the last 20 years it has grown to dominate such payments.

Total tax reliefs on donations paid directly to charities were £1,360m in 2018-19, which is approximately £90m higher than 2017-18 at £1,270m. This increase was driven by a rise in Gift Aid on individuals' donations of £90m. This increase in Gift Aid paid out on individuals' donations follows a brief period of three years where the amount seems to plateau. Previously, total tax relief payments to charities increased steadily from 2004-05 to 2010-11, but there was a slight reduction in Total Tax Repayments from 2011-12 to 2013-14 following the end of Transitional Relief. Further details on Transitional Relief are in the supporting documentation.

Figure 2: Tax Repayments to Charities on Donations



Note: In 2000-01 and 2001-02, the time series showing Gift Aid from Individuals will have included an unknown element of company donations made in earlier years. See Tables 1 and 3 for more details.

The fall between 1999-2000 and 2004-05 can be partially attributed to the cessation of Tax Credits on UK dividends. The fall in Gift Aid between the years of 1998 and 2001 was due to an isolated increase in the pattern of giving among some corporate donors in 1998-99.

### Gross donations with a tax consequence

Table 3 presents a more detailed view of data displayed in Table 1, and includes the underlying gross donations giving rise to Gift Aid tax repayments (including an adjustment for Transitional Relief).

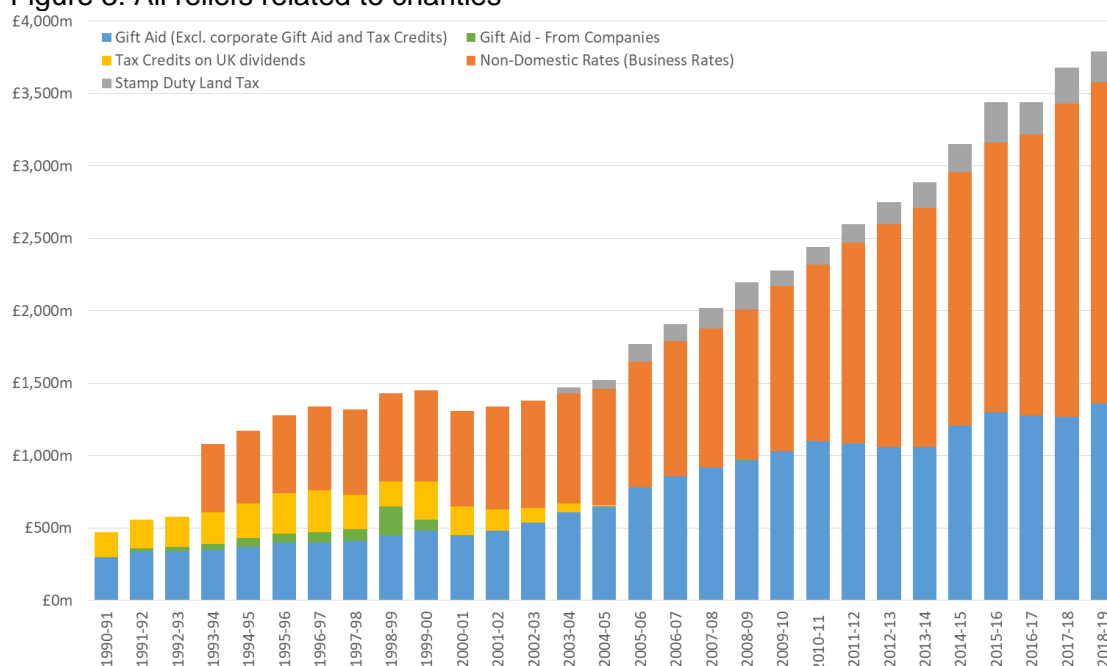
The gross donations series represents the amounts donated to charities plus the relief received (at the basic rate) for donations with tax consequences. This is not the total amount donated to charities, since HMRC does not have information on donations without tax consequences. HMRC receives information on only those donations that have tax consequences (e.g. Gift Aid), so it is not possible to determine the behaviour of overall donations from individuals on the basis of this data.

Table 3 also features giving by covenants, which are no longer a prominent part of the charitable giving landscape following the introduction of Gift Aid. See Information about charity tax reliefs sections for further information on Covenants.

## Tax relief repayments to charities – Table 2

For 2018-19 the total amount of relief to charities is estimated to be £3,790m. This is an increase of over £100m since the previous tax year. Figure 3 below illustrates the composition of total reliefs for charities from 1990-91. Total tax relief repayments to charities has risen steadily in monetary terms since 1990-91. The total relief repayments to charities broadly follows the trends and patterns of Non-Domestic Rate Relief and tax repayments on donations as these two collectively make up more than 90% of reliefs to charities. The total amounts of tax relief for charities is typically revised upwards in the following year, and so we expect the long term increase in the monetary value of these tax reliefs to continue.

Figure 3: All reliefs related to charities



Note: In 2000-01 and 2001-02, the time series showing Repayments (Excl. corporate Gift Aid and Tax Credits) will have included an unknown element of company donations made in earlier years. See Tables 2 and 3 for more details.

The 'Tax Repayments' figures shown in Table 2 are the sum of all the columns in Table 1 which were discussed in the previous section. This section discusses the other reliefs.

### **Non-domestic Rate Relief**

Non-domestic Rate Relief, which is also known as 'business rates relief', allows charities an 80% reduction in the corresponding business rate; some authorities top this up by a further 20% resulting in complete exemption.

This relief has grown steadily, and continues to be the largest single source of tax relief paid directly to charities. In 2018-19 it estimated to be £2,220m an increase of £60m on last year.

### **Stamp Duty Land Tax (SDLT)**

SDLT is payable when one buys or leases land or property. The tax relief works by exempting a charity from this tax so it will not have to pay SDLT when buying a property; because of this the cost of the tax relief may vary with changes in property prices, along with other factors. SDLT Figures from 1 April 2015 onwards exclude property transactions in Scotland. SDLT for Scotland has been devolved and replaced with the Land and Buildings Transaction Tax.

Based on the latest provisional data, total SDLT Charities Relief in 2018-19 was £210m, a decrease of £40m on the 2017-18 figure. Figures for 2018-19 are provisional they are subject to change as more data becomes available.

## **Tax relief repayments for individuals – Table 2**

Some individuals can also claim a tax relief when making a gift to a charity. This is in addition to charities claiming tax repayments on donations and other reliefs. Reliefs for individuals include tax reliefs on Inheritance Tax, Payroll Giving (where donations are made out of untaxed income), relief on Gifts of Shares and Property, and Higher Rate Relief. These tax reliefs are described in more detail under "Information about charity tax reliefs".

The total amount of relief for individuals is estimated to be £1,530m for 2018-19. This is an increase of £30m on the previous tax year. Figure 4 shows the composition of total reliefs to individuals. Overall, the total monetary value of tax reliefs to individuals shows a long term upward trend with more variability in growth than tax reliefs for charities. The total amount of relief for individuals is typically revised upwards in the following year, and so we expect the long term increase in the monetary value of these tax reliefs to continue.

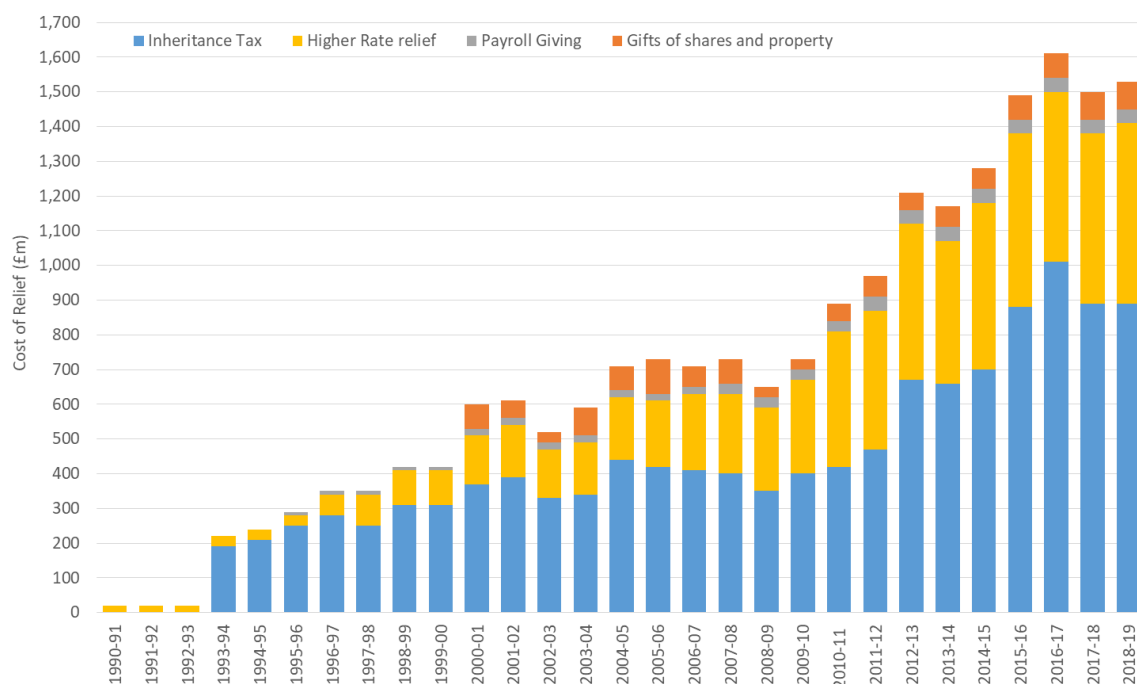
### **Inheritance Tax Relief**

Inheritance Tax Relief (IHT Relief) seems to have plateaued in recent years, with the exception of a peak in 2016-17 of £1,010m. The 2018-19 estimate of IHT Relief is £890m, the same as the previous year. Figures for recent years are provisional forecasts and might be subject to future revisions in subsequent years when outturn information becomes available.

From 2012-13 onwards, estates which leave at least 10% of their net value to charity can qualify to pay IHT at a reduced rate of 36% on the assets remaining in their estate. The cost of this reduced rate is included in the total figures and so explains the step change between 2011-12 and 2012-13. The introduction of this reduced rate means data from 2012-13 onwards is not directly comparable to earlier years in the time series.

For the tax year 2018-19, IHT estimates have been aligned to the cost of principal and minor tax reliefs' publication for transfers to charities on death found here. For more information about IHT see "Information about charity tax reliefs".

Figure 4: Total Reliefs for Individuals



### Higher Rate Relief

Gift Aid Higher Rate Relief allows the donor to reclaim tax at a rate equal to the difference between their marginal rate and the Basic Rate. This is explained in more detail at <http://www.hmrc.gov.uk/individuals/giving/gift-aid.htm#4>. Higher Rate Relief for 2017-18 and 2018-19 are forecasts.

Higher Rate Relief seems to have plateaued at around £500m in recent years. Higher Rate Relief to donors has historically grown at a faster rate than the tax repayments (on donations) which are paid to charities. This may indicate a higher proportion of charitable donations being due to higher income individuals, or to Higher and Additional Rate donors claiming the relief more consistently, or an increased use of charitable giving in tax planning.

The substantial increase in Higher Rate Relief between 2009-10 and 2010-11 is also due to the introduction and inclusion of tax relief on donations made by Additional Rate taxpayers after the Additional Rate was introduced in 2010-11. The slight fall in Higher Rate Relief in 2013-14 was most likely due to the reduction in the Additional Rate from 50% to 45% in 2012-13. It is likely that some individuals, anticipating the reduction in this Additional Rate, brought forward donations from 2013-14 to 2012-13 via Self Assessment in order to maximise the relief available.

### Gift Aid repayments to charities – Table 4

Table 4 shows the size distribution of total repayments to charities, in terms of the number of charities that received repayments in a certain range and the value of those repayments.

Figure 5 shows the increase in the number of charities receiving repayments in recent years is predominantly in the smaller repayment groups. Figure 6 shows, just under half of the value of Gift Aid tax repayments continue to go to a small number of charities receiving more than £1m each.

Table 4 Gift Aid tax repayments to charities are by year of repayment which brings Table 4 figures into line with totals reported in Table 1 and Table 3. The dip in the number and value of annual repayments to charities from 2010-11 to 2013-14 can be explained by the switch over in the way we calculate the totals. Prior to 2013-14, differences between the others tables and Table 4 repayments may be due to Table 4 repayments being by year of claim rather than year of repayment as in other tables. The differences between by year of claim and by year of repayment are due to Charities ability to retrospectively claim Gift Aid.

Figure 5: Count of Charities Receiving Repayments in each Annual Band

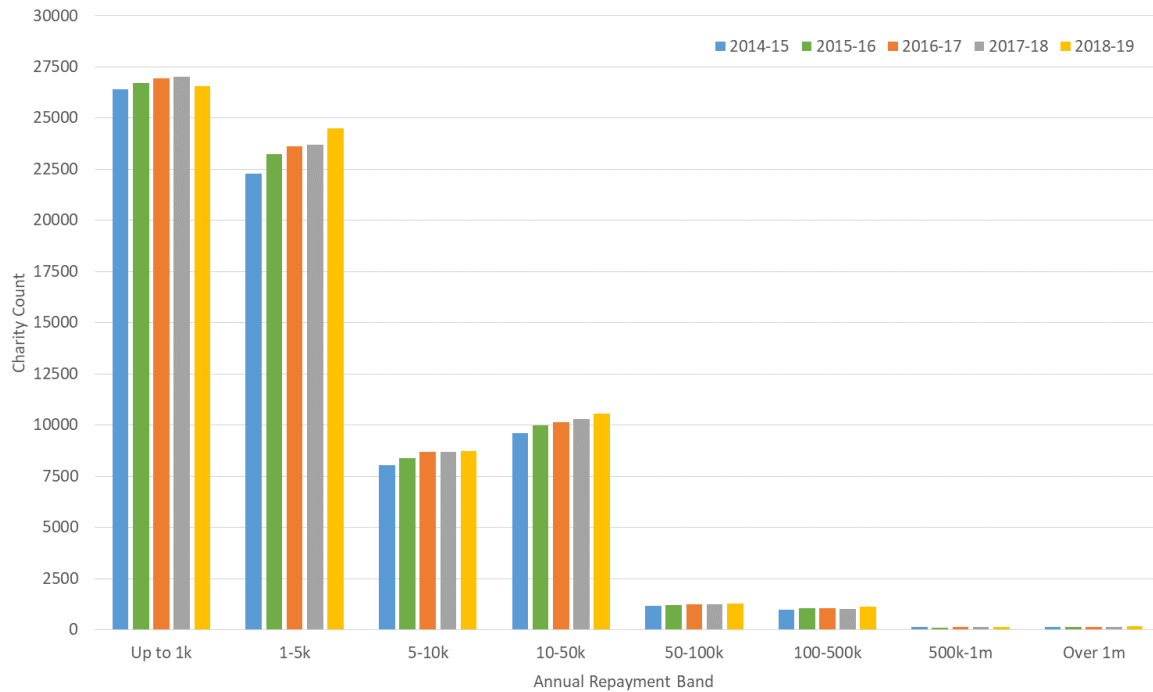
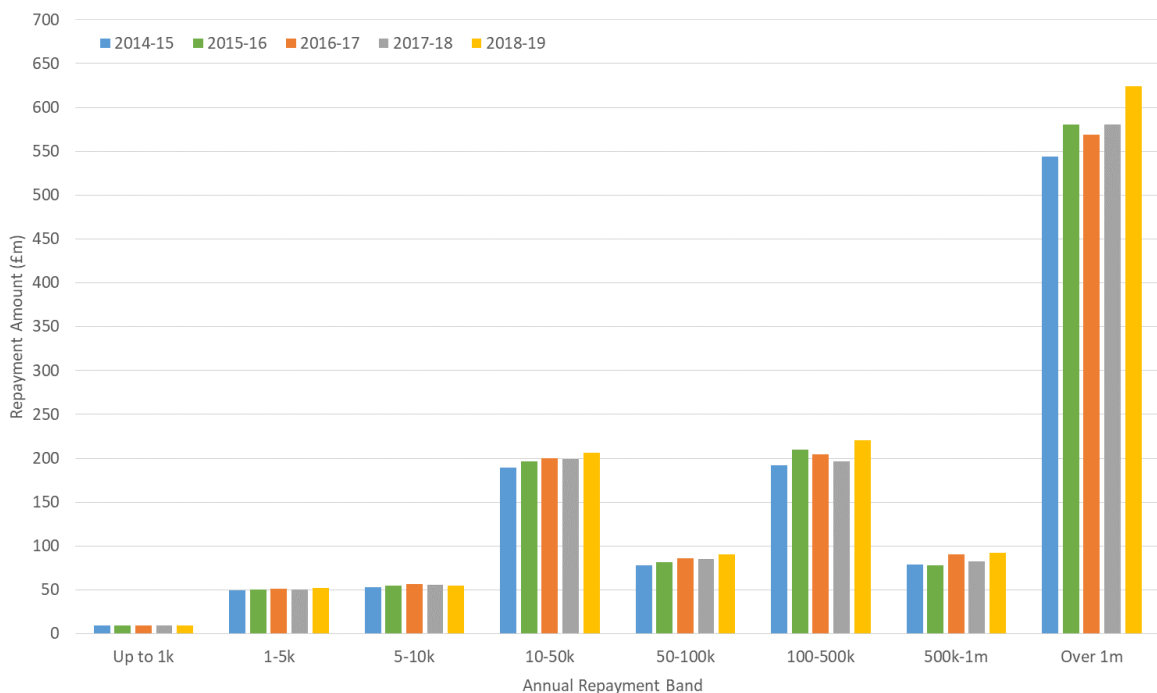


Figure 6: Amount of Repayment (£m) by Annual Repayment Band

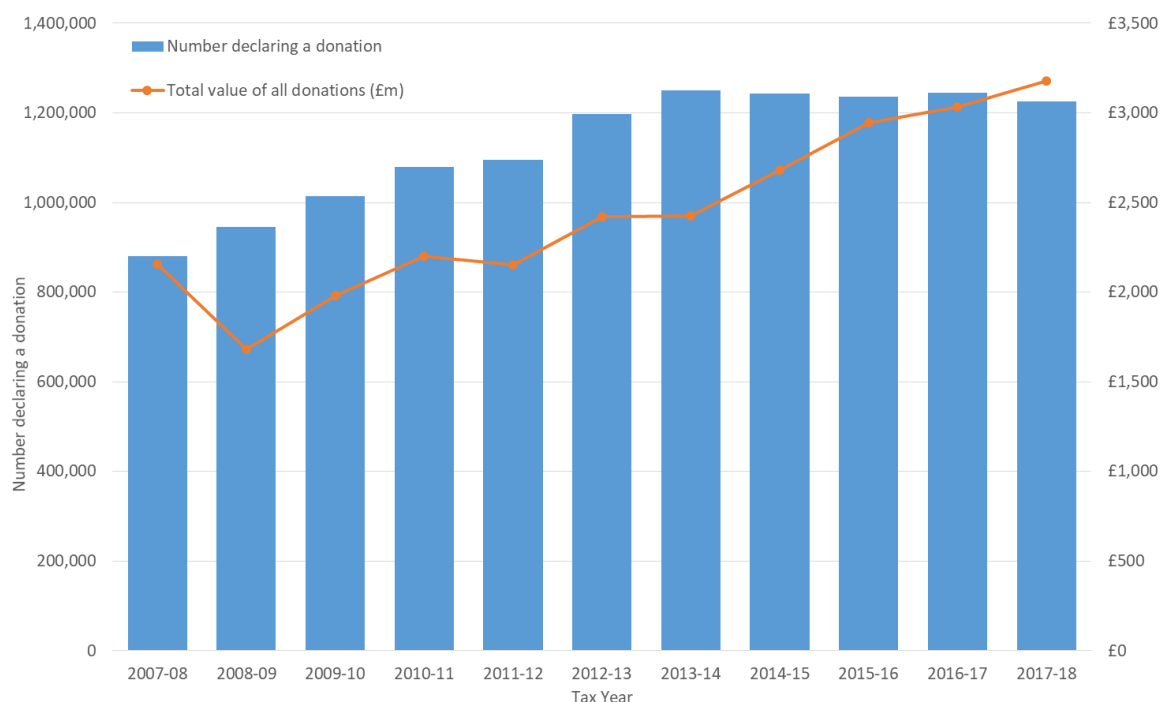


## Donations declared by individuals completing Self Assessment – Tables 5, 6 and 7

Figure 7 shows the number of individuals declaring a donation via Self Assessment and the total value of those donations have generally increased over time. In recent years the number of donors has plateaued at 1.2 million. The total value of Self Assessment donations has grown overall since 2007-08 and every year since 2011-12, with a value of £3,179m in 2017-18. The value of donations have been increasing with the mean donation peaking in 2017-18 at £2,590.

The data for Tables 5-7 is sourced from the live Self Assessment system therefore these trends should be treated with caution as figures for the most recent years may be revised to include those individuals that will have submitted their Self Assessment return after the statutory deadline. In these tables, a donor is defined as any individual who entered at least £0.01 of donations in the relevant section of a Self Assessment form, i.e. either in the form of Gift Aid payments or in the form of qualifying assets gifted to charity. Further details on the use of Self Assessment data are given in the supporting documentation.

Figure 7: Number of Individuals Declaring a Donation via Self Assessment and the Total Value of All Donations Declared



### Source of income

The majority of individuals who declared donations had their main source of income as employment, or pension income. The greatest value of donations, however, came from employment and, other income. Individuals completing Self Assessment can have multiple income sources and are assigned to the appropriate categories based on their largest source of income.

### Age

The majority of individuals who declared donations were over the age of 65. This age group also made the greatest value of donations. Despite this, it was those of the age of 55-64 whose mean average donation was greater.



## **Gross income**

The majority of individuals who declare a donation have a gross income under £50,000 a year, and in line with the distribution of people's earnings a small number of individuals with gross income of at least £250,000 a year declare a donation.

It is, however, those individuals whose gross income exceeds £250,000 a year make up the largest share of the total value of all donations declared. This is most likely because these individuals gain the most tax relief by declaring their donation. The mean donation is also largest for those in the highest gross income category. The mean donation declared increases as income increases.

## **Donation amount**

There are a large number of lower value (i.e. up to £500) donations declared via the Self Assessment system, and that these donations make up a small proportion of the total value of all donations declared. Similarly, there are a small number of donations which are greater than £10,000, but make up more than half of the total value of all donations declared.

## **Gender**

In line with the Self Assessment population, there are a greater number of men than women declaring a donation. Donations by men tend to be of larger value.

## **Donations by Government Office and Parliamentary constituency**

Table 7 provides geographical information and breaks down the total number of individuals declaring a donation via Self Assessment and the total value of those donations by region and Parliamentary constituency.

In 2018-19, the South East had the greatest proportion of those completing a self-assessment also declaring a donation (15%). In terms of the average value of donations declared, there is less of a discernible trend – there are pockets of large average donations all over the UK. Those with a London address declare the largest total donation value, with just over a third of the UK total value declared there.

## **Payroll Giving scheme – Table 8**

An employer wishing to set up a Payroll Giving scheme contracts with an agency approved by HMRC. Employees wishing to take part authorise the employer to deduct amounts from their pay and nominate the charities to which their gifts should go. Donations are deducted before tax which reduces the effective tax rate that the employee pays. Payroll Giving cannot be Gift Aided as donations are deducted before tax.

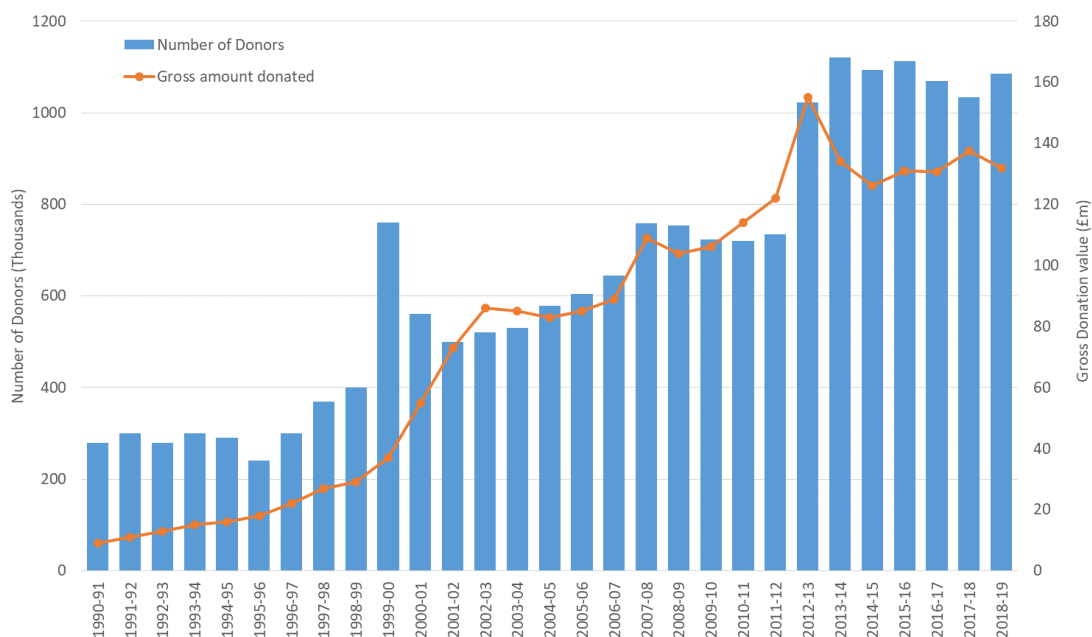
From 2016-17 onwards the filing deadline for Payroll Giving Agencies has been changed from April to May. Following feedback from users, for the latest year in Table 2 and Table 8, figures associated with Payroll Giving scheme are given as provisional estimates. This is based on forecasts of the appropriate figures from Payroll Giving data in previous years.

In recent years statistics for Payroll Giving have plateaued. Payroll Giving amounts continue to be steady in monetary value terms with around £130m being donated in each year leading to around £40m in Income Tax Relief. The number of individuals who donate in this way also remains constant, at around 1.1m individuals. There was a slight dip in donors in 2017-18, however the same year showed a slight increase in the amount donated. It is too early to tell if this is an indication of a longer term trend. The peak in the gross amount donated in 2012-13 is attributable to an isolated change in the pattern of giving amongst the larger schemes in that year, and should not be interpreted as part of the long term change.



Over time the change in the value of the Income Tax Relief is broadly in line with the change in the gross amount donated, which is what we would expect to see. The exception to this is in 2004-05 where it fell. This is explained by the expiration of a 10 per cent Payroll Giving supplement, which was a part of a campaign to promote the scheme. The figures for Cost of Income Tax Relief have been rounded to the nearest £10m from 2003-04, and therefore some changes in the amount of relief may be masked by the rounding.

Figure 8: Numbers of Donors (left hand side), and Gross Amount Donated and Income Tax Relief (right hand side)



Payroll Giving has been in existence since 1987, but gained prominence in 1999 when the Children's Promise campaign encouraged people to donate their final hour's pay of 1999 to charity. This led to a substantial rise in the number of donors in 1999-2000, and whilst there is a fall in the number of donors in 2000-01, it is still reasonable to attribute the step change in the number of donors from 1998-99 to 2000-01 to this campaign.

Payroll Giving statistics are based on returns supplied by Payroll Giving Agencies rather than from HMRC administrative systems. Payroll Giving data has been subject to changes in collection and calculation of the data. A breakdown of these changes is provided in the methodological section of this document.

## Notes on specific tables

- In Table 2 the 'Tax Repayments' column is the sum of all the columns in Table 1. The 'Payroll Giving' column in Table 2 is the 'Cost of Income Tax relief' in Table 8.
- Table 2 details the estimated cost of charitable tax reliefs to the Exchequer. These reliefs relate to charities directly as well as to individual donors. Only those reliefs to charities and individuals that can be reliably estimated are presented.
- In Table 3 under 'Tax Repayments To Charities On Gift Aid Donations,' the figures for 'From individuals' are equivalent to Gift Aid tax repayments and Transitional Relief which are recorded separately in Table 1.
- In Table 4 the total of each 'Repaid' column from 2013-14 onwards is the same as the 'Gift Aid' column in Table 1.
- In Table 5, the row for the tax year 2018-19 is broken down in Table 6 and Table 7 for each respective characteristic and geographical area.