

Charities criticise VAT hike and lack of support in Budget

ICTR – the representative body for Irish charities- has warned that the increase in the higher rate of VAT to 23% in the Budget will cost charities millions of Euro extra per year.

Sheila Nordon, ICTR Executive Director, has called for the “immediate convening of the Working Group to resolve the longstanding problem of irrecoverable VAT for charities, signalled by the Minister for Finance, Michael Noonan, in the Seanad on Oct 6th last.

“Unlike businesses, charities cannot recover VAT paid on goods and services. The VAT hike will increase costs in an already difficult fundraising environment and when demand for services from charities from those most in need is on the increase, she said.

“Charities are already giving the Government over €35 million a year in VAT, money that could be used to fund vital services in the recession,” she said.

ICTR also criticised the failure to simplify the administration of existing tax measures to promote charitable donations by the public as discussed in detail at a special Department of Finance Working Group earlier this year.

“Charities are expected to do more with less. The sector is hugely disappointed that the Government did not take this opportunity to address the above issues and ICTR, will be seeking urgent meetings with government to discuss our concerns,” Sheila Nordon said.

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