

## **1 Gift aid: giving through self-assessment return**

- (1) Section 429 of ITA 2007 (gift aid: giving through self-assessment return) is repealed.
- (2) The following repeals are made in consequence of subsection (1) –
  - (a) in section 426 of ITA 2007 (election by donor: gift treated as made in previous tax year), omit subsection (8),
  - (b) in section 538 of that Act (requirement to make claim), omit subsection (3),
  - (c) in section 133 of FA 2008 (set-off etc where right to be paid a sum has been transferred), in subsection (8)(a), omit the words from “except” to the end,
  - (d) in sections 472 of CTA 2010 (gifts qualifying for gift aid relief: corporation tax liability and exemption), omit subsection (5), and
  - (e) in section 475 of that Act (gifts qualifying for gift aid relief: income tax treated as paid and exemption), omit subsection (7).
- (3) Accordingly, the following provisions are also omitted –
  - (a) section 130(9) of FA 2008, and
  - (b) paragraph 3(4) of Schedule 8 to FA 2010.
- (4) The repeals made by this section are treated as having come into force on 6 April 2012.

**EXPLANATORY NOTE**

**GIFT AID: GIVING THROUGH SELF-ASSESSMENT RETURN**

**SUMMARY**

1. This clause repeals, with effect from 6 April 2012, the “SA Donate” scheme which enables an individual, who makes a self-assessment return, to direct HM Revenue and Customs (HMRC) to make any repayment of tax due for the tax year to a charity.

**DETAILS OF THE CLAUSE**

2. Subsection (1) repeals section 429 of the Income Tax Act (ITA) 2007 which gives effect to the SA Donate scheme.
3. Subsections (2) and (3) make consequential amendments to remove references to section 429 of ITA 2007 from the Taxes Acts.

**BACKGROUND NOTE**

4. Section 429 ITA 2007 provides for a scheme known as “SA Donate”. It enables an individual who makes a self-assessment return to direct HMRC to make any repayment of tax due for a tax year to a specified charity instead of to the individual. In addition to the repayment, provided the individual has paid sufficient income tax or capital gains tax on the amount of the repayment donated to the charity, HMRC also pays the charity the basic rate of tax relating to the repayment in accordance with the gift aid rules at Chapter 2 of Part 8 of ITA 2007.
5. SA Donate has not been well used and is disproportionately expensive for HMRC to administer. It is being withdrawn with effect from 6 April 2012 in order to concentrate HMRC resource on the introduction of an online filing system for charities. Taxpayers who receive repayments of tax from HMRC will still be able to give the money to their chosen charity under gift aid by making a direct gift to the charity.
6. If you have any questions about this change, or comments on the legislation, please contact Cathy Wilson on 020 7147 2778 (email: [cathy.wilson@hmrc.gsi.gov.uk](mailto:cathy.wilson@hmrc.gsi.gov.uk)).