Twitter Thread by Charity Tax Group

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@CharityTaxGroup

The Charity Tax Group and @CFGtweets have submitted Budget representations to @hmtreasury calling for an improved tax system for #charities in the aftermath of Brexit and COVID #charitytax 1/ https://t.co/mCiCpSQj2g

In this Budget submission we call on the Government to take the following steps to address five core tax policy issues facing charities at present:

1. Review the structural distortions caused by the VAT system resulting in significant irrecoverable VAT for charities. Consideration of a special VAT rate of 10% for charity purchases is one option. We also call on the Government to protect VAT reliefs and exemptions in the aftermath of Brexit.
2. Protect charity business rates relief in England following the recent "Fundamental Review".
3. Continue investing in the Future of Gift Aid project to help ensure Gift Aid is fit for the digital age, including, where relevant allowing minor changes to legislation.
4. Adopt a flexible subsidy control system post-Brexit to ensure that that charities with large property portfolios do not miss out on essential business grants, designed to help mitigate the impacts of lockdown.
5. Consider a temporary increase in the value of Gift Aid to help charities recover from COVID-19.

In addition, we call on the Government to:

6. Bring forward the review of advertising and the associated tax treatment for charities, extending the VAT zero rate to social media advertising.
7. Agree to an extension of the 9-month time limit for payment of Gift Aid payments from trading subsidiaries to parent charities, due to the impact of COVID-19.
8. Protect the Community Infrastructure Levy charity exemption.
9. Extend the Apprenticeship Levy to training and/or volunteer costs.
10. Review the appropriateness of Insurance Premium Tax on charitable activities.
11. Extend the Listed Places of Worship Grant Scheme.

Existing charity tax reliefs should be protected & tax compliance and administration simplified. Protecting existing business rates & VAT reliefs is crucial as is future-proofing tax systems and legislation #charitytax #budget2021 2/

COVID-related support measures, such as the #JobRetentionScheme, #ExpandedRetailDiscount & temporary #5percentVAT rate on hospitality, hotel & holiday accommodation and admissions have helped many charities * should continue where possible while lockdown restrictions continue 3/

We call on Government to review the structural distortions caused by the VAT system resulting in significant #irrecoverableVAT for #charities. We also call on the Government to protect VAT reliefs and exemptions in the aftermath of Brexit #charityvat /4 https://t.co/tmYEtciBmB

We call on the Government to protect #charity #businessrates relief in England (worth almost £2bn) following the recent “Fundamental Review”. Compliance measures are important but should be targeted and proportionate #budget2021 /5 https://t.co/RVfmk6nzDQ

Government should continue investing in the Future of #GiftAid project to help ensure Gift Aid is fit for the digital age, including, where relevant allowing minor changes to legislation. Automation can increase Gift Aid claims and reduce errors /6 https://t.co/YewWDqKjPi

Government must adopt a flexible #subsidycontrol system post-Brexit to ensure that that charities with large property portfolios do not miss out on essential #businessgrants (worth £millions), designed to help mitigate the impacts of lockdown /7 https://t.co/2Fk8HLYxmv

To support #charities recover from COVID-19 and the shutting of charity shops and fundraising events, the Government should consider a temporary increase in the value of #GiftAid, incentivising giving in the process 8/ https://t.co/vHLzVNdtoa

Aside from these core policy asks we also call on Government to bring forward the review of #advertising and the associated tax treatment for #charities, extending the VAT zero rate to #socialmedia advertising #charityvat 9/ https://t.co/KykxFfSpMK

To recognise the unprecedented impact of #COVID19 charities have also asked for an extension of the 9 month time limit for payment of Gift Aid payments from trading subsidiaries to parent charities /10

In addition, we reinforce our response to the Government's #PlanningfortheFuture consultation in calling for the charity exemption to the #CommunityInfrastructureLevy to be retained if the Tariff is replaced /11 https://t.co/NEFivnIJ0v

To avoid the #ApprenticeshipLevy simply becoming another tax that many charities cannot make full use of, we have also called on the Government to extend the Levy to training and/or volunteer costs /12

In a similar vein we also call on the Government to review the appropriateness of #InsurancePremiumTax on charitable activities and to commit to no further increases /13

Lastly the submission calls on the Government to extend the funding for the #ListedPlacesofWorshipGrantScheme in advance of considering the reinstatement of a suitable charity listed buildings tax relief now that EU VAT rules are no longer an obstacle to this #charityvat /14

If these issues are of interest to your charity, please register for CTG's regular newsletter to receive #charitytax updates and event invitations 15/ https://t.co/LyOnV7iOKl