

The Budget

The Chancellor of the Exchequer, George Osborne MP, has announced a package of measures to support giving. Delivering what he called a 'Budget for Growth' the Chancellor said he would introduce "a series of substantial reforms that will support giving, from the largest donations to the coins collected in the charity bucket". He said this would be a "big help for the Big Society".

The Budget included measures to:

- **Introduce a Gift Aid small donations scheme** - From April 2013, the Government will introduce a new scheme to allow charities to claim Gift Aid on up to £5,000 of small donations without the need for Gift Aid declarations. This promises to be a significant step forward, particularly for smaller charities.
- **Move to a new online filing system for Gift Aid claims** - A first step will be the publication of intelligent online forms. Government aims to have the online system fully operational by 2013.
- **Change Gift Aid rules to allow an increased limit for 'thank you' gifts** - The Gift Aid rules will be changed to ensure that the benefit limit for 'thank you' gifts from charities is increased from £500 to £2,500 from April and Government will publish new guidance to clarify what counts as a 'benefit'.
- **Reduce the rate of inheritance tax by 10% moving from 40% to 36% for estates that leave 10% or more of the estate to charity** - This will be a potentially significant benefit to those charities that benefit from legacy income.
- **Increase payments to volunteer drivers** - Government will increase the Approved Mileage Allowance Payments rate to 45p per mile (25p after the first 10,000 miles). Government will also extend the passenger allowance of 5p per mile, which is already available to business, to volunteers.
- **Retaining the Community Investment Tax Relief (CITR)** - NCVO has called on government to retain CITR as an important way to stimulate the growth of the social investment market and to channel much needed investment into deprived communities.
- There will be a consultation on reduced tax to incentivise the gift of 'pre-eminent works of **art or historical objects** to the nation'.
- Government will examine ways to promote the take-up of **payroll giving**, which has been disappointing and has potential to increase the rates of giving.

Read NCVO's statement on the Budget for more information www.ncvo-vol.org.uk.

Update provided by NCVO