

Gift Aid and Taxation

For standard rate taxpayers (20%) the position is simple. The Church recovers 25p for every pound given by gift aid. The giver recovers nothing.

Giver to church	80	100
Church from Revenue	20	25
Total for church	100	125

For higher rate tax payers, the calculation is more complex.

40% payers. The basic rate of 20% is recovered by the church, as above. The additional rate of 20% (making the total rate of 40%) is recovered by the tax payer through his/her tax assessment. The following table shows the result of this for different amounts given, **provided that the giver enters the giving into his/her tax return.**

Giver to church	80	100	133
Giver from Revenue	20	25	33
Cost of gift	60	75	100
Church from Revenue	20	25	33
Total for church	100	125	166

From this it can be seen that the church recovers a massive 66% of the net cost to the giver. But it also means that **for every £100 a 40% tax payer wants to give to the church the banker's order must be made out for £133.** The £33 will come back from the Revenue.

45% payers

Giver to church	80	100	145.45
Giver from Revenue	25	31.25	45.45
Cost of gift	55	68.75	100
Church from Revenue	20	25	36.36
Total for church	100	125	181.81

The benefit for the church is even greater, at 82% **but for a £100 gift, the standing order must be written for £145 - £45 coming back from the Revenue.**