

Charitable Donations

Information on donations to approved charities being a deductible expense.

Making Donations to Approved Charities

For the purpose of ascertaining the chargeable income or statutory income, as the case may require, any person (individual, company or organisation), may deduct the amount of any donations (not exceeding one twentieth of the statutory income) to any institution or organization established and operated exclusively for charitable or educational purposes and approved by the Minister responsible for finance under Section 13(1)(q) of the Income Tax Act.

What it Means to Have Charitable Status

Under Section 13(1)(q) of the Income Tax Act, any institution or organization established and operated exclusively for charitable or educational purposes and approved by the Minister responsible for finance, by order, is able to accept donations and provide a receipt which allows donors to claim the donation as a deduction, provided it does NOT exceed one-twentieth (1/20) of statutory income.

How to Apply for Charitable Status Under Section 13(1)(q)

Organisations should apply to the Tax Policy Unit, Ministry of Finance and Planning (MOF), 30 National Heroes Circle, Kingston 4, providing the following:

1. Letter of application
2. Articles of Incorporation or Memorandum of Association/Articles of Association. The Articles of Incorporation must integrate a list of objectives and powers that explain in detail the charitable or educational purpose for which the organization has been established.

Procedure for the Processing of Applications Under Section 13(1)(q) of the Income Tax Act

Once the application is received by the Tax Policy Unit, Ministry of Finance and Planning, the following steps will be followed:

1. The application is logged then passed to an Officer;
2. The Officer then assesses the application for the necessary documentation such as the Articles of Incorporation or Memorandum of Association/Articles of Association (with a list of the objectives and powers);
3. If item two (2) above is satisfied, it is then passed unto a lawyer at Tax Administration Jamaica (TAJ) for their comments/feedback;
4. If item two (2) above is not satisfied, the applicant is notified via a telephone call which is followed by a written letter informing them of their incomplete application;
5. After receiving a comment/feedback from the TAJ lawyer, if the applicant satisfies the criteria for the status, an Order is done for the Minister's signature;

6. If the applicant does not meet the criteria, a letter is sent to them informing them of the status of the application and what is needed to further evaluate their application;
7. When the Order is signed by the Minister, it is sent to the Printing Office to be gazetted;
8. The applicant is then notified in writing that they have been approved under Section 13 (1) (q) of the Income Tax Act.