



Small Charitable Donations Act 2012

2012 CHAPTER 23

Top-up payments

1 Top-up payments in respect of small donations made to eligible charities

- (1) A charity is entitled to a payment from HMRC (a “top-up payment”) if—
- (a) the charity is an eligible charity for a tax year,
 - (b) the charity has made a successful gift aid exemption claim in respect of gifts made to it in the tax year,
 - (c) small donations are made to the charity in the tax year, and
 - (d) the charity makes a claim in respect of small donations made to it in the tax year.
- (2) The amount of the top-up payment is—

$$SD \times \frac{R}{100 - R}$$

where—

SD is the amount of the small donations to which the claim relates, and

R is the percentage rate of the basic rate of income tax for the tax year in question.

- (3) A charity is not entitled to top-up payments in respect of small donations made to it in a tax year in excess of the maximum donations limit for the charity for the tax year.
- (4) The “maximum donations limit” for a charity for a tax year is—
- (a) an amount equal to 10 times the gift aid donations amount for the charity for the tax year, or
 - (b) if less, the specified amount for the charity for the tax year.

Changes to legislation: There are currently no known outstanding effects for the Small Charitable Donations Act 2012, Cross Heading: Top-up payments. (See end of Document for details)

- (5) The “gift aid donations amount” for a charity for a tax year is the amount of the gifts made to the charity in the tax year and in respect of which it has made successful gift aid exemption claims.
- (6) The “specified amount” for a charity for a tax year is [^{F1}£8,000].
- (7) This section is subject to sections 4, 6 and 9 (connected charities and charities running charitable activities in community buildings).

Textual Amendments

- F1** Sum in s. 1(6) substituted (6.4.2016) by [The Small Charitable Donations Act \(Amendment\) Order 2015 \(S.I. 2015/2027\)](#), arts. 1, 3

2 Meaning of “eligible charity”

- (1) A charity is an eligible charity for a tax year [^{F2}if it is not an excluded charity for that tax year (see subsection (3)).]

^{F3}(2)

- (3) A charity on which a penalty has been imposed in connection with a gift aid exemption claim or top-up claim made by the charity is [^{F4}an excluded charity] —
- for the tax year in which the claim was made, [^{F5}and]
 - for the next tax year,
- (even if the penalty was imposed after the tax year in which the claim was made).

- (4) For the purposes of this section—

^{F6}(a)

- (b) “penalty” means a penalty under—

- Schedule 24 to the Finance Act 2007, or
- regulations under section 11;

- (c) a penalty is not to be regarded as having been imposed if all of the penalty is suspended (or the decision that a penalty is payable is cancelled on appeal); but this does not apply to a suspended penalty that subsequently becomes payable.

Textual Amendments

- F2** Words in s. 2(1) substituted (16.1.2017) (with effect in accordance with s. 7(1) of the amending Act) by [Small Charitable Donations and Childcare Payments Act 2017 \(c. 1\)](#), **ss. 1(2)(a)**, 7(1) (with s. 8(2))

- F3** S. 2(2) omitted (16.1.2017) (with effect in accordance with s. 7(1) of the amending Act) by virtue of [Small Charitable Donations and Childcare Payments Act 2017 \(c. 1\)](#), **ss. 1(2)(b)**, 7(1) (with s. 8(2))

- F4** Words in s. 2(3) substituted (16.1.2017) (with effect in accordance with s. 7(1) of the amending Act) by [Small Charitable Donations and Childcare Payments Act 2017 \(c. 1\)](#), **ss. 1(2)(c)(i)**, 7(1) (with s. 8(2))

- F5** Word in s. 2(3) substituted (16.1.2017) (with effect in accordance with s. 7(1) of the amending Act) by [Small Charitable Donations and Childcare Payments Act 2017 \(c. 1\)](#), **ss. 1(2)(c)(ii)**, 7(1) (with s. 8(2))

- F6** S. 2(4)(a) omitted (16.1.2017) (with effect in accordance with s. 7(1) of the amending Act) by virtue of [Small Charitable Donations and Childcare Payments Act 2017 \(c. 1\)](#), **ss. 1(2)(d)**, 7(1) (with s. 8(2))

Changes to legislation: There are currently no known outstanding effects for the Small Charitable Donations Act 2012, Cross Heading: Top-up payments. (See end of Document for details)

3 Meaning of “small donation”

- (1) In this Act “small donation” means a gift made to a charity by an individual in relation to which each of the conditions in the Schedule is met (but does not include a membership fee).
- (2) But if a small donation made to a charity is applied to purposes other than charitable purposes, or any part of the donation is applied to purposes other than charitable purposes, the donation or part is to be treated as if it were not a small donation.
- (3) Subsection (2) does not apply to—
 - (a) the Trustees of the National Heritage Memorial Fund;
 - (b) the Historic Buildings and Monuments Commission for England;
 - (c) the Trustees of the British Museum;
 - (d) the Trustees of the Natural History Museum.

Changes to legislation:

There are currently no known outstanding effects for the Small Charitable Donations Act 2012,
Cross Heading: Top-up payments.