**Calculator for philanthropists**

**We've never helped so much. According to the Czech Donors Forum, in 2018 Czechs donated eight billion crowns to charity. The most charitable region is Prague, followed by Central Bohemia and South Moravia. However, while more and more people understand that supporting others is worth their time and effort, hardly anyone knows what measurable tax benefits it can bring to the donors themselves . It is why Calculator for Philanthropists was created – simple to use, free online tool that will calculate how much individuals and businesses can donate yearly to get the maximum tax relief. It is the first such a tool in our part of Europe.**

The calculator will support planning of philanthropic spendings not only in the Czech Republic, but also in other countries of the Visegrad Group, where tax preferences vary. According to Czech regulations, the government supports both, individual and corporate philanthropy with different tax breaks. Hungarian system promotes only corporate giving with high tax benefits. In Poland, in some cases one will be able to deduct even the entire donated amount from income. Slovaks remain morally satisfied, as donors cannot deduct a cent.

**10% or 15%? How much can I deduct?**

In the Czech Republic, tax breaks for donors have a long tradition because they have been around for almost 30 years. We speak of a donation when the donor increases the assets of the donee and at the same time the donee does not perform any repayable benefit to the donor. Donations can be cash, tangible (movable and immovable) as well as intangible assets or goods and products after meeting the formal conditions described in the regulations.

- In the Czech Republic, a natural person may deduct the amount of the donation in the amount of up to 15% of the income, if the donation is higher than 2% of the income or amounts to at least CZK 1,000. A legal person may also deduct a donation from the income, but not more than 10% of the income, and the donation must be at least CZK 2,000. In order for a donation to be claimed as a tax-deductible item, it must be donated exclusively to the persons or organizations listed in the Income Tax Act and for a specifically defined purpose – emphasizes Magdalena Sławińska-Rzemek, tax advisor from the V4Group.

Donation reduces the tax due to be paid, if it is transferred to municipalities, regions, state organizational units, legal entities established in the Czech Republic, legal entities organizing public collections pursuant to a specific legal norms (or natural persons subject to the conditions defined in the aforementioned provisions) for a predetermined purpose. You can check the specific purposes ie. at the document “Donation vs. Tax Benefits” with frequently asked questions (Q&A) on philanthropic spendings.

<https://ceeimpact.org/wp-content/uploads/2019/08/QA_donations_tax_Visegrad-Group.pdf>

Q&As will also appear in the calculator after choosing the country and language as they are adapted to the legislation of an individual country.

**How does the Calculator for Philanthropists work?**

In order to encourage philanthropists to plan their giving, among which, apart from time and knowledge, are also financial resources, the Calculator for Philanthropists was created. This is a free online financial tool, available to everyone who wants to calculate the amount of the donation that will give them the maximum tax relief . The calculator operates under Czech, Polish, Slovak and Hungarian law.

When provided with the estimated annual income, a choice of a country and personal or corporate income tax, the calculator will easily calculate the maximum amount you can deduct in the tax return. For example, with a monthly pre-tax income of 30,000 CZK, i.e. 360,000 CZK a year, as individuals we will be able to deduct even 54,000 CZK from the tax base, which translates into a very measurable reduction of the tax due to be paid. On the other hand, in case of a company, a monthly income of 100,000 CZK (1,200,000 CZK per year), will allow you to write off from the tax base even 120,000 CZK.

You can test the calculator here: <https://ceeimpact.org/cs/kalkulacka/>.

- Legislation in the field of philanthropy is quite complex because taxpayers do not deduct donations from the tax but from the tax base and there are limits to it. Deductions vary depending on the amounts donated (Czech Rep.), the causes (Poland) or organizations (Hungary). This is why we decided to create a practical tool for philanthropists, which can be used by individuals, businesses or even tax advisors. Social problems are complex and require the commitment of all of us. Through wise donations, we can make a real difference – comments Anna Korzeniewska from Social Impact Alliance for Central & Eastern Europe, an international ThinkTank, which operates in Central and Eastern Europe, with particular emphasis on the Visegrad Group countries.

**Different tax laws for donors in the Visegrad Group countries**

In the Visegrad countries, tax preferences for philanthropists vary considerably . The biggest advantage in this area will be obtained by physical and legal persons in Poland who donate to church’s charitable and caregiving activity. Slovakia the weakest in the group, it does not support charity in tax settlements at all. There are no tax preferences for individuals in Hungary. However, there are very large tax breaks - reaching as much as 50% of income - for donations made by legal entities, provided that donation agreements have been concluded with the donee.

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For more information on donations and the strategic philanthropy, please visit: CEEimpact.org.

Did you know that the Calculator for philanthropists was among the initiatives presented at the international event Global Goals Week 2019? # ACT4SDGs.
More information: [https://act4sdgs.org/partner/Alliance\_for\_CEE](https://translate.google.com/translate?hl=pl&prev=_t&sl=pl&tl=en&u=https://act4sdgs.org/partner/Alliance_for_CEE) .

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Social Impact Alliance for Central & Eastern Europe is an international ThinkTank whose mission is to provide individual and corporate philanthropists with tools and knowledge necessary for wise and strategic allocation of resources such as time, skills, and money. It operates in Central and Eastern Europe (CEE), with particular emphasis on the Visegrad Group countries: the Czech Republic, Poland, Slovakia, and Hungary. It supports those who want to make a real social impact so that philanthropy becomes easier, more strategic and, most importantly, leads to real social changes.