**Calculator for philanthropists**

**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 business in Hungary 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 Hungary, but also in other countries of the Visegrad Group, where tax preferences vary. According to Hungarian regulations, system promotes corporate giving with high tax benefits. In Polish regulation, in some cases we will be able to deduct even the entire donated amount from income.  In the Czech Republic, the government supports both, individual and corporate philanthropy but with lower tax breaks. Slovaks remain morally satisfied, as donors cannot deduct a cent.

**Even 50%? How much money can the company deduct?**

Unfortunately, there are currently no tax breaks for individual donors in Hungary, but corporate donors are in almost the most privileged position in the entire Visegrad Group - reaching as much as 50% of income for donations made by legal entities, provided that donation agreements have been concluded with the donee.

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. Donation reduces the tax due to be paid, if it is transferred to a non-profit organization, for a legal entity of the clarity or for organizer of a public interest commitment. The donor may take advantage of tax preferences at the stage of submitting the annual statement. Before calculating the tax, the company should deduct the amount of the donation from the income obtained in the tax year.

- However, he should remember that purpose of the donation is very important. It has to support public non-profit activities as defined by law,  its activities as defined by law or a public interest purpose. There are few other formal conditions described in the regulations – emphasizes Magdalena Sławińska-Rzemek, tax advisor from the V4Group.

You can check more information 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 Hungarian, Polish, Czech and Slovak law. In Hungary, due to the possible tax breaks, it will be most useful to corporate donors.

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 Hungarian company can deduct in the tax return. For example, with a monthly pre-tax income of 1,000,000 HUF (12,000,000 HUF per year), will allow the company to write off from the tax base even 6,000,000 HUF.

You can test the calculator here: <https://ceeimpact.org/hu/kalkulator/>.

- Legislation in the field of philanthropy is quite complex because taxpayers do not deduct donations from the tax but from the tax base and sometimes there are limits to it. Deductions vary depending on organizations (Hungary), on the causes (Poland) or the amounts donated (Czech Rep.). 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.

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.

Currently 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) .

We also invite you to the frequently asked questions (Q&A) on philanthropic spendings. 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.

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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: Poland, the Czech Republic, 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.