

Dear Sir

Gift Aid provides an essential income stream for charities. Currently almost £1 billion is claimed by charities through the scheme, and Gift Aid accounts for approximately 90% of all tax-effective giving in the UK.

We are calling on Government to adopt the Institute of Fundraising's proposals for reforming Gift Aid for higher rate taxpayers without delay.

Under the current system, most higher rate taxpayers believe that they can reclaim the difference between the basic and higher rates of tax for themselves. In practice, however, the Government keeps 40% of this sum. It ought to be easier for fundraising organisations to benefit from the additional tax relief available to higher rate taxpayers, and therefore Government should introduce changes which would allow charities to claim the full amount of tax on the donation that is made by higher rate donors.

We believe that this would act as a real incentive to higher rate taxpayers, who would see that their money could have a much higher impact and make more of a difference to those organisations which they are supporting.

For donors who are motivated by the ability to reclaim tax on their donations for themselves, in particular those who donate to larger charities and/or who give larger sums, this option would be retained.

At a time when fundraised income is under strain and local authority support is shrinking, these proposals are needed more than ever.

Yours sincerely

Lesley-Anne Alexander, Chief Executive, RNIB
Martin Field, UK Director of Fundraising, Barnardo's
Andrew Flanagan, Chief Executive, NSPCC
David Nussbaum, Chief Executive, WWF-UK
Jasmine Whitbread, Chief Executive, Save the Children
Sir Nicholas Young, Chief Executive, British Red Cross
Stephen Bubb, Chief Executive, Association of Chief Executives of Voluntary Organisations
Stuart Etherington, Chief Executive, National Council of Voluntary Organisations
Lindsay Boswell, Chief Executive, Institute of Fundraising