



# Landcare Notes

## Deductible gift recipient and taxable charity concession information for Landcare groups

**It is becoming common for funders to ask for Deductible Gift Recipient and Tax Concession Charity status from groups when applying for support. If your group is thinking of seeking funding external to government this is something you may need to consider.**

### What is a Tax Concession Charity?

A Tax Concession Charity (TCC) is a charity that is endorsed to access one or more of the following tax concessions:

1. income tax exemption
2. GST charity concessions
3. fringe benefits tax (FBT) rebate
4. FBT exemption.

To be eligible for tax concessions your group needs to be endorsed as a charity by the Australian Taxation Office (ATO).

### Why would you register as a TCC?

If you are a Landcare group it would be to your advantage to register for TCC status. Having TCC status will allow your group to access tax concessions which will save your group time and money each financial year.

### How to apply for TCC

Complete an application form called 'Application for endorsement as a tax concession charity or income tax exempt fund' from the ATO.

Follow this link to the TCC application form:  
[www.ato.gov.au/content/downloads/n10651scannable122005.pdf](http://www.ato.gov.au/content/downloads/n10651scannable122005.pdf)

### What is a Deductible Gift Recipient?

A Deductible Gift Recipient (DGR) is an organisation that can receive tax deductible gifts. The Register of Environmental Organisations assists environmental organisations to obtain financial support from the community for use in the conservation and protection of the natural environment, by providing donors with tax deductions on their donations or DGR status.

### Why would you register as a DGR?

If you are a Landcare group it would be to your advantage to register for DGR status. Having DGR status will allow your group to offer potential funders the opportunity to make tax deductible donations.

### Eligibility for DGR status

To be eligible as an environmental organisation your group must be one of the following:

1. A body corporate
2. A co-operative society
3. A trust, or
4. An unincorporated body established for a public purpose by the Commonwealth, a State or a Territory.

Under section 30-275 of the ITAA, a body corporate (except a statutory authority) or a co-operative society is an environmental organisation only if:

1. Its membership consists principally of bodies corporate
2. It has at least 50 members who are individuals that are:
  - a. regarded as financial members, and
  - b. entitled to vote at a general meeting of it, or



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3. The Minister for Environment has determined that because of special circumstances, it does not have to meet either of the requirements in 1 or 2.

An environmental organisation's principal purpose must be:

1. The protection and enhancement of the natural environment or of a significant aspect of the natural environment, or
2. The provision of information or education, or the carrying on of research, about the natural environment or a significant aspect of the natural environment.

### How to apply for DGR

Apply for both DGR and TCC status together by completing the 'Application form for entry to the register of environmental organisations and endorsement as a deductible gift recipient' from the Department of the Environment, Water, Heritage and the Arts. Follow this link to the application form:

[www.environment.gov.au/about/tax/reo/guidelines/pubs/reo-application-2003.pdf](http://www.environment.gov.au/about/tax/reo/guidelines/pubs/reo-application-2003.pdf)

Organisations seeking entry on the Register of Environmental Organisations must satisfy one of the above descriptions of environmental organisations. Organisations applying also need to have an Australian Business Number (ABN) before they can be endorsed as a deductible gift recipient and/or as an income tax exempt charity.

Organisations that are already incorporated or are registered must also make amendments to their constitutional documents as requested in the Guidelines (see further references). The Department of the Environment, Water, Heritage and the Arts is happy to advise organisations on these amendments.

All organisations seeking entry to the Register of Environmental Organisations must also establish and maintain a public fund. It is the

public fund that is endorsed as a deductible gift recipient.

To fill in this application form you will need to provide:

1. Certificate of Incorporation
2. Constitutional documents (e.g. constitution, rules, memorandum and articles of association, etc.)
3. An established public fund and management committee member nomination forms
4. A brief description of your organisation and its activities that will be included in a brief to the Minister for Environment Protection, Heritage and the Arts seeking approval of your entry.

If your application is successful, and you are listed on the register, this form will be sent to the ATO office for consideration. If endorsed, your group will be recognised as a DGR under subdivision 30-BA of the *Income Tax Assessment Act 1997* (ITAA) and listed on the Australian Business Register.

### Further references

The Australian Tax Office has comprehensive information notes about TCC under their Non-Profit section:

<http://www.ato.gov.au/nonprofit/content.asp?doc=/content/00228362.htm>

You can also ring them for further information on 1300 130 248.

The Department of Environmental, Water, Heritage and the Arts has Register for Environmental Organisations guidelines that are easy to read and follow:

<http://www.environment.gov.au/about/tax/reo/guidelines/pubs/reo-guide-2008.pdf>

You can also ring them for further information on (02) 6274 1467.



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## Related Landcare Notes

This Landcare Note is one of a series. These notes provide an excellent guide for the ongoing operation of your group.

## Acknowledgements

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