



CIVIL SOCIETY  
RESOURCE  
CENTRE



МАКЕДОНСКИ  
ЦЕНТАР ЗА  
МЕЃУНАРОДНА  
СОРАБОТКА



# Public Benefit Status

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# What is public benefit?

- A special status given to a segment of the nonprofit organizations that allows them to use special benefits
- For how long?
- Goal of the status:
  - To differentiate who gets benefits
  - To encourage PB activities
  - To encourage flow of private resources to public benefit

# PB Areas

- List of areas
- Benefiting society at large or a specific vulnerable group (Estonia, Latvia)
- Charitable element - services are free of charge or less than market value (Kosovo, Estonia)
- Excluded activities/organizations:
  - Political activities (Hungary);
  - Benefitting just the founders (Latvia);
  - Professional sports (Bulgaria);
  - Religious activities;
  - Trade unions, parties, professional associations, business.

# Possible requirements

- Two-tiered structure (incl. collective supervisory body)
- Audit (by an auditor and/or by a responsible state body)
- Reporting (financial and programmatic) and transparency (publication of reports)
- Limitations on spending and distribution of assets
- Prevention of conflict of interest

# The requirements in Estonia

- **Substantive requirements:**

- Public interest – the public at large or a group
- Charitable – offering goods or services primarily free of charge or in generally available manner
- Prohibition to support founders, members, managers, donors
- Not excessive remuneration (compared to business)
- The administrative expenses correspond to the character of its activity and the objectives

- **Formal requirements:**

- Active for at least 6 months and submitted annual report
- Prohibition to advertise goods/services of a donor
- Failed to submit a report or has tax arrears

# Types of Benefits

- Tax benefits for donors
- Tax benefits for the NGO
- Tax designations (Poland, Slovenia)
- Use of state property
- Tax exemptions for donation recipients
- State funding
- Other benefits
- Prestige...

# The benefits in Bulgaria

- No income tax on the income from donations (for all)
- No tax on donations to PBOs
- No tax on donations made by PBOs
- No inheritance tax
- Corporate donors - up to 10 % from the profit
- Individual donors - up to 5 % from the income
- Access to state funding
- Use of state/municipal offices without tender



# Thank you!

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