



**Inland Revenue**  
Te Tari Taake

Inland Revenue Department,  
Private Bag, Auckland

**Telephone 0800 377 774**  
Facsimile

"00011"

13th October 2008

PRAYAS CULTURAL GROUP OF NEW ZEALAND  
INCORPORATED  
29 NIRVANA WAY  
MOUNT ROSKILL AUCKLAND 1004

*IRD Number 93-816-544*

*Our Reference 201200923400*

Dear Sir/Madam

### **Donee organisation status**

Your charitable organisation has recently been registered by the Charities Commission and has indicated in its application that it will receive donations.

Individuals can claim a tax credit\* and Maori authorities and certain companies can claim a deduction for donations to your organisation. For existing charities this letter confirms your continuing donee organisation status.

The tax credit and deductions are allowable under the following provisions:

#### **Section LD 1 of the Income Tax Act 2007**

An individual can claim a tax credit for donations of money of \$5 or more made to your organisation. They can claim back one-third of all donations they make up to the amount of their taxable income.

To qualify for the tax credit the individual must produce a receipt from your organisation that:

- is officially stamped with the name of your organisation
- shows the date the donation was received
- is signed by a person in your organisation authorised to accept donations.

#### **Section DB41 Income Tax Act 2007**

A company can claim a deduction for donations of money made to your organisation.

The deduction available to the company for donations made to all charitable organisations in that income year cannot exceed its net income before making the deduction.





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## Section DV12 Income Tax Act 2007

A Maori authority can claim a deduction for donations of money made to your organisation.

The deduction available to the Maori authority for donations made to all charitable organisations in that income year cannot exceed its net income before making the deduction.

**Note:** Donee status does not imply any form of income tax exemption or donors' relief from gift duty.

### Limited to New Zealand

A tax credit or deduction will only apply where funds are applied by your organisation for charitable, benevolent, philanthropic or cultural purposes wholly or principally within New Zealand.

If you apply funds for those purposes outside New Zealand, we ask you to maintain a separate account that clearly identifies those funds.

### Record keeping

Your organisation must keep all records for seven years. They must be in English, unless we give you written approval to use another language.

Your organisation must also keep records showing:

- the source of donations received, and
- how its funds have been used, whether in New Zealand or overseas.

For further enquiries please visit our website [www.ird.govt.nz](http://www.ird.govt.nz) or call us on 0800 377 774.

Yours faithfully

*Loraine Elliott*

Area Manager