

## Annex G. Fiscal benefits and main support mechanisms for the social and solidarity economy

The table provides an overview of fiscal benefits for the social and solidarity economy, at the national and subnational level, as well as other support mechanisms available for the SSE entities. The table is not exhaustive due to the diversity of fiscal benefits and other support mechanisms for the SSE that exist.

|                  | Fiscal benefits for the SSE   | Other support mechanisms for the SSE  |
|------------------|---|---|
| EU Member States |   |   |
| Austria          | <ul style="list-style-type: none"> <li>• Tax benefits are granted for any public-benefit limited company, association, foundation and any other organisation pursuing public-benefit goals.</li> <li>• Individuals and companies can deduct donations up to 10% of their personal and corporate income tax when donations made to certain listed organisations with the public-benefit status.</li> <li>• Housing cooperatives benefit from direct subsidies from both the national and provincial governments. Similarly, roughly 90% of limited-profit housing associations benefit from public subsidies. Limited-profit housing associations have developed strategic partnerships with many municipal authorities to provide low-cost housing.</li> <li>• Labour-cost subsidies – such as the “employment subsidy” and the “employment bonus” – are provided to enterprises that focus on the (re)integration of unemployed or other hard-to-place groups into the labour market.</li> </ul> | <ul style="list-style-type: none"> <li>• Four accreditation schemes mainly for WISEs (socio-economic enterprises, non-profit employment projects/companies, integrative enterprises, and low-threshold part time projects) have been established. These accreditations allow SSE organisations to benefit from diverse public subsidies.</li> </ul>   |
| Belgium          | <ul style="list-style-type: none"> <li>• Under certain conditions, WISEs benefit from a reduced VAT rate.</li> <li>• Social security tax breaks are provided in the healthcare and social service sectors.</li> <li>• WISEs' profits are placed into asset locks and are subject to tax reductions at the regional level.</li> </ul>  | <ul style="list-style-type: none"> <li>• The Social Innovation Factory, created in 2013, “promotes, guides and supports social entrepreneurship and social innovation in tackling societal challenges” and combines the roles of advisory structure and incubator.</li> <li>• In Flanders, various measures were undertaken to support WISEs such a large structure for collective support programs, subsidies for management consultancy, support for innovation and CSR and scientific management courses.</li> <li>• Several social economy consulting agencies (<i>Agences-conseil</i>), which are recognized support and advice structures for social enterprises, currently operate in Wallonia.</li> </ul> |

|                | Fiscal benefits for the SSE   | Other support mechanisms for the SSE   |
|----------------|---|--|
| Bulgaria       | <ul style="list-style-type: none"> <li>• Tax incentives provided by the Corporate Income Tax Act (not specific to social enterprises) for donors of certain vulnerable groups (people with disabilities, socially disadvantaged, etc.) and benefits for employers of long-term unemployed people or people with disabilities.</li> <li>• Insertion enterprises (cooperatives of and for disabled) can request the assignment of the annual corporate tax due. A reimbursement up to 30% off the insurance contributions for the total number of working staff.</li> <li>• Tax reduction to institutional donors of up to 10% of the accounting profit donating to social enterprises.</li> </ul>  | <ul style="list-style-type: none"> <li>• The Working Group on Social Economy oversees the implementation of Social Economy Action Plans.</li> </ul>  |
| Croatia        | <ul style="list-style-type: none"> <li>• Non-profit organisations performing economic activities are exempted from the VAT if their annual revenue does not exceed 300 000 HRK (around 40 000 EUR).</li> <li>• Non-profit organisations that are not carrying economic activities are not obliged to pay profit tax.</li> <li>• Individuals and companies may receive a reduced tax base for donations to NPOs in the amount up to 2% of their annual income.</li> <li>• Employers can receive subsidised wages for employing people with disabilities as well as use reduced social security costs when employing young persons, unemployed or long-term unemployed persons, persons who are employed for the first time and for professional training.</li> </ul> | <ul style="list-style-type: none"> <li>• The Strategy for Social Entrepreneurship Development plans the establishment of a Guarantee Fund for social enterprises to enable easier access to capital for social enterprises and reduce risk for investors.</li> </ul>   |
| Cyprus         |   |  |
| Czech Republic | <ul style="list-style-type: none"> <li>• Associations, foundations, religious groups, public benefit companies and non-profit legal forms enjoy a range of exemptions from income taxes.</li> <li>• All organisations that employ persons with disabilities enjoy specific income tax reductions valued up to EUR 2300.</li> </ul>  | <ul style="list-style-type: none"> <li>• Social enterprises can apply for funding for community service jobs if they are involved in maintenance of public areas or greenery etc.</li> <li>• Between 2009 and 2013, the Ministry of Labour and Social Affairs initiated two main public grant schemes: one providing investment finance (OPHRE programme), the other providing non-investment finance (IOP programme). A wider system of consultancy and support for social enterprises took root during this period.</li> </ul>                     |
| Denmark        | <ul style="list-style-type: none"> <li>• Public benefit organisations do not pay any corporate income tax on their “ideal” activities nor on the economic activities necessary to support their social mission.</li> <li>• Organisations and social enterprises with the public-benefit status can use a reduced VAT rate of 7%, instead of the normal rate of 19%</li> <li>• Social enterprises do not benefit from any exemption on indirect labour costs. If they have employees, they must follow all regulations</li> </ul>  | <ul style="list-style-type: none"> <li>• The Danish Centre for Voluntary Effort is a government-run centre that promotes the non-profit sector.</li> <li>• Many support mechanisms for the SSE were discontinued in 2015 due to shifting policy priorities at the national level.</li> </ul>   |
| Estonia        | <ul style="list-style-type: none"> <li>• Organisations that hire disadvantaged workers are exempt from social security costs.</li> <li>• Non-profit associations and foundations can benefit from income tax reductions if they are approved by the Tax and Customs Board. This approval enables entities to collect tax-deductible donations from the public and enables their volunteers to claim tax reimbursements.</li> </ul>  | <ul style="list-style-type: none"> <li>• The National Foundation of Civil Society aids non-profit associations and foundations that benefit the public. Its programme ‘Step of change’ addresses business model and investment development.</li> <li>• If a non-profit organisation has been successful in any EU-funded calls, the National Foundation of Civil Society co-finances its projects.</li> <li>• The National Foundation for Civil Society and the Good Deed Foundation established the Social Innovation Incubator in 2016.</li> </ul> |

|         | Fiscal benefits for the SSE   | Other support mechanisms for the SSE  |
|---------|---|---|
| Finland | <ul style="list-style-type: none"> <li>• WISEs and labour cooperatives are eligible for public wage subsidies for disadvantaged employees that vary depending on the specific characteristics of the employee.</li> <li>• Tax conditions for non-profits are determined on a case-by-case basis. Generally, non-profit welfare associations and foundations that contribute to the public good are not taxed on their income from commercial activity. However, if they are not determined to act in the public good, they face a 20% income tax.</li> <li>• Specific business operations such as health care, social services, education, vocational training and others are exempt from VAT.</li> </ul>   | <ul style="list-style-type: none"> <li>• If the purpose of their operations is to promote health and social wellbeing, non-profit associations, foundations, non-profit limited companies and cooperatives can apply for funding from the Funding Centre for Social Welfare and Health Organisations.</li> </ul>  |
| France  | <ul style="list-style-type: none"> <li>• SCICs' revenue that is allocated to the asset lock is tax-exempt.</li> <li>• Sports and cultural associations can be exempt from corporation tax on services provided to their members.</li> <li>• Foundations are not subject to corporation tax for activities directly related to their purpose.</li> <li>• SCICs' VAT rate depends on the activity carried out.</li> <li>• Sports and cultural associations can be exempt from VAT on services provided to their members.</li> <li>• Foundations are not subject to VAT for activities directly related to their purpose.</li> <li>• Associations and WISEs can benefit from reduced social security taxes for the employment of workers under certain conditions.</li> <li>• Legal entities can donate tax-free up to 10% of their previous year's profit or up to 3% of their personnel costs during the current year to eligible NPOs and foundations.</li> </ul> | <ul style="list-style-type: none"> <li>• Social economy enterprises have access to regional support schemes dedicated to innovation.</li> <li>• Associations are eligible for employment subsidies if they hire unemployed or low qualified workers.</li> <li>• All enterprises are eligible for public grants according to their activity field (social services, home care services, childcare, cultural activities, sports, etc.)</li> <li>• There are numerous although diversified support initiatives at regional level. Key initiatives include the Rhône-Alpes Forum of Solidarity Employment (until 2015) to promote employment in the sector, the PROGRESS program of the Provence-Côte d'Azur Region to develop the social economy, and the Languedoc-Roussillon Region initiative to provide support services to social innovation projects.</li> </ul> |
| Germany | <ul style="list-style-type: none"> <li>• Companies with public benefit status are exempt from corporate income tax, local business tax and VAT on their activities related to their social objectives, and are subject to only 25% of corporate income tax and 19% of the regular VAT on their economic activities.</li> </ul>  | <ul style="list-style-type: none"> <li>• From 2012-2014, Germany's development bank KfW operated a funding programme for social enterprises.</li> <li>• KfW provides low-interest loans to third sector organisations for a range of activities.</li> <li>• KfW has provided start-up coaching to social entrepreneurs since 2015.</li> </ul>   |
| Greece  | <ul style="list-style-type: none"> <li>• Limited liability social cooperatives are exempted from income municipal and corporate taxes, except VAT.</li> </ul>   | <ul style="list-style-type: none"> <li>• There is extensive support infrastructure in the form of incubators and accelerators for SSE organisations across Greece</li> <li>• The Support Centre for Social and Solidarity Economy is operated by the Ministry of Labour that plans to establish nearly 100 support centres for SSE organisations.</li> <li>• Limited liability social cooperatives benefit from favourable public procurement status by national and local authorities.</li> </ul>  |
| Hungary | <ul style="list-style-type: none"> <li>• Organisations that qualify for public benefit status (including social cooperatives, associations, foundations and non-profit companies) enjoy tax exemptions/reductions.</li> <li>• All associations and foundations are exempt from a range of national taxes. Those engaged in specific activities (sports, social care, care, training, etc.) are also exempt from VAT.</li> <li>• Associations and foundations are exempt from local taxes.</li> </ul>  | <ul style="list-style-type: none"> <li>• National Co-operation Fund</li> </ul>  |
| Ireland | <ul style="list-style-type: none"> <li>• Guarantee companies that obtain a charity number may be eligible for specific tax exemptions.</li> </ul>   | <ul style="list-style-type: none"> <li>• Social Innovation Fund</li> </ul>  |

|            | Fiscal benefits for the SSE   | Other support mechanisms for the SSE   |
|------------|---|--|
| Italy      | <ul style="list-style-type: none"> <li>• Social cooperatives entities with SE status have advantageous corporate tax conditions (IRES).</li> <li>• A-Type social cooperatives enjoy a favourable (5%) VAT rate if they provide services such as healthcare, education and welfare support to disadvantaged people.</li> <li>• B-Type social cooperatives are exempt from the payment of social insurance contributions for the disadvantaged workers they have integrated.</li> <li>• Donating to public benefit organisations including social cooperatives qualifies donors for corporate tax advantages: a 30% reduction of the corporate tax base for a single donation up to EUR 30 000 or a 10% deduction from the net income of the donor.</li> <li>• Donations of goods and services for public benefit purposes may receive tax advantages.</li> <li>• Public benefit provisions govern non-profit companies if they have public benefit status. In this case, non-profit companies do not need to pay taxes after their public benefit activities and remain exempt from local business tax.</li> <li>• Investing in social enterprises enables individuals to gain a deduction equal to 30% of the sum invested valued up to EUR 1 million and companies to gain a deduction equal to 30% of the sum invested valued up to EUR 1.8 million.</li> </ul> | <ul style="list-style-type: none"> <li>• The Marcora Fund facilitates access to finance for cooperatives</li> <li>• The Ministry of Economic Development has actively supported social enterprises and social cooperatives since 2015.</li> </ul>  |
| Latvia     | <ul style="list-style-type: none"> <li>• WISEs are exempt from enterprise income tax and VAT if they provide social care/assistance or have an annual turnover of less than EUR 40 000. WISEs are also reimbursed for employee social insurance contributions.</li> <li>• Donors to WISEs are eligible for certain tax reimbursements.</li> </ul>   | <ul style="list-style-type: none"> <li>• The European Social Fund project “Support for social entrepreneurship” (2015-2022), a support measure of the Ministry of Welfare and ALTUM, aims at offering financial grants and developing social enterprises in Latvia.</li> <li>• Local authorities that wish to support social enterprises have several support instruments at their disposal, such as free use of municipal property, privilege public procurement procedures, etc. For instance, in 2016, the city of Riga’s local government implemented a grant programme “Promotion of employment among groups at risk of social exclusion in Riga” focusing on WISEs.</li> </ul> |
| Lithuania  | <ul style="list-style-type: none"> <li>• Public enterprises, associations and foundations with income less than EUR 300 000 are exempt from taxes for the first EUR 7250 of profit and at a rate of 15% for any additional profits.</li> <li>• VAT is not applied to any activities related to public benefit services.</li> </ul>  | <ul style="list-style-type: none"> <li>• WISEs can benefit from state aid, which covers wages, social security contributions and costs linked to assistance, transportation and arrangement of the workplace for people with disabilities.</li> </ul>  |
| Luxembourg | <ul style="list-style-type: none"> <li>• SISs can benefit from exemptions from corporate income tax, communal business tax and net wealth tax.</li> </ul>   | <ul style="list-style-type: none"> <li>• Department of Social and Solidarity Economy</li> <li>• 6zero1 is a government-run incubator supporting SISs</li> <li>• SSE Cluster of the Greater Region is an initiative supporting SSE development in Luxembourg and the French region of Meurthe and Moselle.</li> </ul>   |
| Malta      | <ul style="list-style-type: none"> <li>• Voluntary organisations and cooperatives are exempt from income tax.</li> </ul>  | <ul style="list-style-type: none"> <li>• Registered voluntary organisations may make public collections without any further authorisation and benefit from grants, sponsorship or other financial aid.</li> <li>• Every cooperative must contribute 5% of the surplus from incomes to the Central Cooperative Fund at the end of each accounting period, which in turn may be used to further cooperative education, training, and research, among others.</li> </ul>  |

|             | Fiscal benefits for the SSE   | Other support mechanisms for the SSE   |
|-------------|---|--|
| Netherlands | <ul style="list-style-type: none"> <li>Corporate tax reduction for organisations meeting the requirements for public benefit status (ANBI status), such as having the aim and the actual activities of an organisation with 90% public interest.</li> <li>Donations to organisations that have ANBI status can be deducted from income tax over and above a threshold of 1% of the total income reported to the tax authorities (and at least 60 EUR). The maximum deduction is 10% of this income.</li> </ul>  | <ul style="list-style-type: none"> <li>The municipality of Amsterdam has initiated a support program for WISEs which includes a variety of measures (e.g., investment fund, guidance, etc.). Another measure undertaken by the municipality is the “Project preparation Subsidy Sustainable Initiatives.”</li> <li>The municipality of Utrecht launched the “Working together for work” program as well as several platforms, such as the Social Impact Factory, in order to inform and connect social entrepreneurs.</li> </ul> |
| Poland      | <ul style="list-style-type: none"> <li>Some exemptions from income tax under certain conditions.</li> <li>ZAZs and ENPOs are VAT exempt under certain conditions.</li> <li>The employment costs of social cooperatives can be covered by a local government. If an ENPO acts as a CIS, it is allowed to benefit from a partial reimbursement of its employees’ salaries. ZAZs’ employment costs can be partially covered by PFRON</li> </ul>  | <ul style="list-style-type: none"> <li>About 60 EU-funded social economy support centres provide business support services to SSE organisations.</li> </ul>  |
| Portugal    | <ul style="list-style-type: none"> <li>Private Institutions of Social Solidarity enjoy exemptions from business tax, VAT, property tax and donation-based income.</li> <li>Associations and foundations are exempt from business taxes and VAT for the provision of public-benefit related services.</li> <li>Cooperatives are exempt from business tax if their mission relates to housing, construction and social solidarity. Cooperatives also enjoy exemptions from municipal taxes and real-estate taxes.</li> </ul>  | <ul style="list-style-type: none"> <li>The Antonio Sergio Cooperative for the Social Economy promotes the social economy.</li> </ul>   |
| Romania     | <ul style="list-style-type: none"> <li>Associations, foundations, social enterprises and cooperatives enjoy tax exemptions on income while their donors can claim tax reimbursements from their donations.</li> <li>No SSE organisations enjoy reduced social security contributions.</li> </ul>  | <ul style="list-style-type: none"> <li>Local public authorities can grant for subsidies associations and foundations that provide social services. Public authorities at the local or national level can also allocate grants for associations’ and foundations’ general interest activities.</li> <li>Several funding schemes have been launched under the European Social Fund, including the “Support for Social Enterprises start-up” launched in August 2018.</li> </ul>  |
| Slovakia    | <ul style="list-style-type: none"> <li>Civic associations and NPOs providing socially beneficial services and foundations are exempt from taxes for the non-profit activities.</li> <li>VAT applies only in cases of SEs whose yearly taxable income is 50 000 EUR.</li> <li>SEs with higher income registered according to the Act on Social Economy and Social Enterprises and those that are socialising 100% of their possible profit may apply for the lowered VAT rate.</li> <li>In the case of employing a long-term unemployed person, the employer may apply for a reduced rate of social insurance payment. In case of employees with health disabilities, the health insurance payment is half that of other employees.</li> <li>Tax percentage assignation model under which legal entities and natural persons may participate.</li> </ul> | <ul style="list-style-type: none"> <li>All enterprises that create jobs for disadvantaged jobseekers can apply for a public subsidy supporting the newly created or sustained job.</li> <li>A spectrum of financial aid schemes (investment and compensatory aid) has been introduced under Act on Social Economy and Social Enterprise.</li> </ul>  |
| Slovenia    | <ul style="list-style-type: none"> <li>Associations, institutes, and foundations are exempt from paying taxes for non-profit activities.</li> <li>Exemption from VAT for activities in the public interest and if taxable income does not exceed 50 000 EUR per year</li> <li>Companies and employment centres people with disabilities are exempt from paying taxes and social security contributions for all employed persons in the company</li> </ul>   | <ul style="list-style-type: none"> <li>Most programmes, actions and tenders of the Ministry of Labour, Family, Social Affairs and Equal Opportunities are traditionally open to social enterprise organisation types in relation to active labour market policies, social affairs, family and people with disabilities. For instance, from 2009 to 2015 the Ministry allocated 8.3 million EUR to SE development, which included pilot project tenders and public works for SEs.</li> </ul>                                      |

|                         | Fiscal benefits for the SSE  | Other support mechanisms for the SSE  |
|-------------------------|--|---|
| Spain                   | <ul style="list-style-type: none"> <li>Profits of social initiative cooperatives with a recognition of their non-profit mission can be exempt or applied to just 10% of revenues. Reduction of 95% in the Economic Activities Tax.</li> <li>Special employment centres for social initiative can benefit from direct subsidy and reduction in the annual business tax for each people with disabilities hired.</li> <li>Employment integration enterprises benefit from reductions in the social security contributions of workers at risk of exclusion. Subsidies for economic compensation of the labour costs supported due to the integration process.</li> <li>Special employment centres not only those for social initiatives: benefit from reductions in the social security contributions of people with disabilities employed. Subsidies for economic compensation of the labour costs supported</li> <li>Donors (legal entities or physical persons) have no tax relief or other types of benefits.</li> </ul>  | <ul style="list-style-type: none"> <li>At national level, three main measures have been developed to promote and support the social economy, in addition to the fiscal benefits: budget support (e.g., grants and subsidies for incorporating certain types of workers into the enterprises, direct investments in materials that contribute to the competitiveness of enterprises, subsidised technical support and training, etc.), technical assistance (e.g., providing support to SSE organisations in areas such as internationalisation or innovation), and employment policies (e.g., giving workers the possibility to capitalise unemployment benefits when the beneficiary decides to establish a cooperative).</li> </ul> |
| Sweden                  | <ul style="list-style-type: none"> <li>Non-profit associations can benefit from tax exemption on incomes from sales if at least 90% of their activities are related to a public benefit aim (e.g. care for children and youth, social assistance, health care, culture, sports, education) and if at least 80% of the financial turnover are channelled to fulfil this public benefit.</li> <li>If an association, business or public organisations employ a person with 'reduced working ability' they can benefit from a grant to cover part of the salary cost.</li> </ul>  | <ul style="list-style-type: none"> <li>The Strategy for social enterprises launched in 2018 includes advisory activities, competence development, support for business development and knowledge dissemination as well as support to incubators and development of impact assessment measures.</li> </ul>   |
| <b>Non-EU countries</b> |  |   |
| Brazil                  | <ul style="list-style-type: none"> <li>Under the Federal Constitution, public authorities cannot tax educational, health, and social assistance non-profit private organisations. Tax immunity covers the organisation's assets, income and services relating to essential activities.</li> <li>Tax exemptions are set out in federal, state, or municipal law. For example, under Law No. 9,532/1997, philanthropic, recreational, cultural, or scientific non-profit organisations and/or civil associations are exempted from income tax and social contribution on net profits if they comply with certain requirements.</li> <li>VAT levied on products sold by non-profit social assistance entities is not payable, if the economic result obtained is used for the development of the organisation's social purposes.</li> <li>Tax immune entities with the CEBAS designation do not pay the National Institute of Social Security Tax (INSS), the Contribution for the Social Integration Programme (PIS) and the Social Security financing (COFINS).</li> <li>Some states have full or partial tax exemptions on donations for non-profit entities.</li> </ul> | <ul style="list-style-type: none"> <li>The National Cooperative Learning Service (SESCOOP), which is run by representatives of Ministries of the Federal Government, the Organisation of Brazilian Cooperatives, workers of cooperative societies and Regional Councils, has the objective of providing professional training, socially promoting cooperative employees, and monitoring cooperatives throughout the country.</li> </ul>   |
| Canada                  | <ul style="list-style-type: none"> <li>Non-profit organisations and registered charities are exempt from income tax, including tax on capital gains.</li> <li>In some provinces, non-profit organisations also benefit from tax exemptions on goods and services (GST).</li> </ul>   | <ul style="list-style-type: none"> <li>The Québec 2020-2025 Action Plan for the Social Economy includes various support measures such as supporting the centres for social economy, financing innovative mutualisation projects, and raising awareness among government and municipal official about public procurement from SSE organisations.</li> </ul>  |

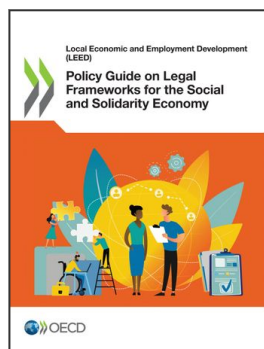
|        | Fiscal benefits for the SSE   | Other support mechanisms for the SSE  |
|--------|---|---|
| India  | <p><b>Tax Registered Charity</b></p> <ul style="list-style-type: none"> <li>Income earned by a Tax Registered Charity is exempt from income-tax. As a condition to avail the exemption from income-tax, a Tax Registered Charity is required to spend at least 85% of its income on charitable activities in India in the year in which the income is received.</li> <li>Any fiscal donations given to a Tax Registered Charity entitles the donor to a tax deduction of up to 50% of the donation given, subject to limits based on the income level of the donor as per section 80G of the Income Tax Authority (ITA).</li> <li>Any benefit or cash assistance received by a person from a Tax Registered Charity is not taxable in the hands of the receivers.</li> </ul> <p><b>Co-operative Society</b></p> <ul style="list-style-type: none"> <li>For co-operative societies, certain incomes (but not all) are not taxable, without any end-use conditions.</li> <li>For consumer co-operative society, fixed deduction of Rs. 100 000 (income in excess of Rs. 100 000) is chargeable to income-tax</li> </ul> <p><b>Producer Company</b></p> <ul style="list-style-type: none"> <li>Certain incomes of a Producer company are not chargeable to income-tax</li> <li>Concessions under the Goods and Services Tax (GST), 2017</li> <li>Under the GST law, services provided by way of charitable activities by an entity registered as a Registered Charity under the ITA are exempt from GST</li> <li>The GST law provides exemption from payment of GST under reverse charge if the service receiver is a charitable trust registered with the Income-tax Authorities and receives services from a person based outside India.</li> <li>A Charitable Institution running an educational institution which qualifies to be a "charitable activity" under the GST law, is exempted from charging GST.</li> </ul> |   |
| Korea  | <ul style="list-style-type: none"> <li>SSE organisations that meet the eligibility criteria may benefit from subsidies and grants, including for labour costs, business development of social enterprises, and operational expenses of village companies.</li> </ul>  | <ul style="list-style-type: none"> <li>The Korea Social Enterprise Agency, a public institution under the Ministry of Employment and Labour, assists SSE organisations with commercialization, provides consulting and supports the development and operation of social economy networks.</li> <li>The Korea Credit Guarantee Fund provides credits for social enterprises, cooperatives, village companies, and self-sufficiency enterprises.</li> </ul> |
| Mexico | <ul style="list-style-type: none"> <li>Charitable organisations benefit from income tax exemption if the organisation has been authorised as a non-profit entity (donataria autorizada) by the Tax Administration Service (SAT).</li> <li>Donations received by non-profit entities are exempt from VAT.</li> <li>Tax on property depends on the local laws. For instance, in Mexico City, tax-deductible organisations can apply for a 100% tax credit for the relevant property tax if their activities involve promotion of human rights, attention to vulnerable groups, research and scientific activities, urban development, etc.</li> </ul>   | <ul style="list-style-type: none"> <li>The National Institute for Social Economy (INAES) runs several actions and programs such as an e-learning platform (SINCA), trainings, and events for SSE organisations.</li> </ul>  |



|                | Fiscal benefits for the SSE   | Other support mechanisms for the SSE  |
|----------------|---|---|
| United Kingdom |   | <ul style="list-style-type: none"> <li>• Social Investment Tax Relief Scheme for individual investments into SSE organisations</li> <li>• Registered charities can claim Gift Aid and receive GBP 0.25 from HM Treasury for every GBP 1 (EUR 1.13) donated by UK tax payers</li> </ul>  |
| United States  | <p>Charitable Organisations and Private Foundations</p> <ul style="list-style-type: none"> <li>• Organisations working exclusively for religious, charitable, scientific, testing for public safety, literary, educational, or other specified purposes that meet the required criteria are exempt from taxes under Internal Revenue Code Section 501(c)(3). Organisations qualifying for tax-exempt status under Section 501 (c)(3) are classified as private foundations and benefit from the same tax exempt as charitable organisations, with an exception of organisations listed in Section 509 (a).</li> <li>• Non-profits desiring to offer donors tax-deductible contributions must also comply with I.R.C. § 170(c). Eligibility to receive deductible contributions is limited to domestic entities essentially meeting the criteria of § 501(c)(3).</li> </ul> <p>Churches and religious organisations</p> <ul style="list-style-type: none"> <li>• Churches and religious organisations may qualify for exemption from federal income tax under Section 501(c)(3).</li> </ul> <p>Other Non-Profits</p> <ul style="list-style-type: none"> <li>• Apart from Section 501 (c)(3), organisations may be exempt from taxes given they meet the specified requirements. These include social welfare organisations, civic leagues, social clubs, labour organisations and business leagues.</li> </ul> | <ul style="list-style-type: none"> <li>• Main Street Employee Ownership Act (2018)</li> <li>• Federally tax-exempt non-profit organisations can issue tax-exempt debt to finance certain kinds of projects and also benefit from reduced postal rates for specific types of mail. They can also opt out of state unemployment insurance tax systems, opting instead a pay-as-you-go system under which they must only reimburse their own former employees who post claims and need not contribute to the state's overall pool. Property and sales tax exemptions are also available and qualification largely, though not entirely, tracks federal tax-exempt status.</li> </ul> |

Source: OECD based on 2020 OECD mapping survey, 2020-2021 OECD focus groups, PLP background papers.





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