

Public benefit organizations and 1% in 2021/2022

30.03.2023

PLN 1 114 million

was donated to PBOs within 1% of PIT by taxpayers in 2022

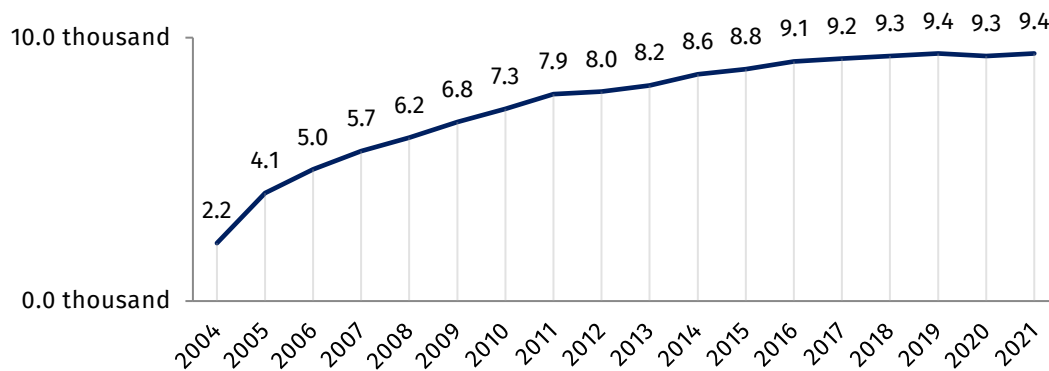
In the years 2008-2021, the number of active public benefit organizations (PBOs) increased from 6.2 thousand up to 9.4 thousand. In 2021, 8.9 thousand PBOs received a 1% of Personal Income Tax (PIT) deduction for 2020. The average amount of this deduction was PLN 125.0 thousand, and half of the authorized public benefit organizations received no more than PLN 6.0 thousand.

Number of PBOs

At the end of 2021, there were 9.4 thousand active public benefit organizations operating in Poland. PBOs accounted for 9.7% of active non-profit organizations, such as: associations and similar organizations, foundations, faith-based charities or business organizations.

In 2021, PBOs accounted for 9.7% of active associations and similar organizations, foundations, faith-based charities, business organizations

Chart 1. Number of active public benefit organizations in 2004-2021^a



^a For the years 2004-2007, due to the lack of data on the number of active PBOs, data on the number of registered public benefit organizations were presented.

In 2021, there were 9.0 thousand PBOs entitled to receive deductions from 1% of PIT Tax and 98.4% of them received deductions from 1% of PIT.

Support provided by PBOs in the period from February 24th to March 31st due to the war in Ukraine

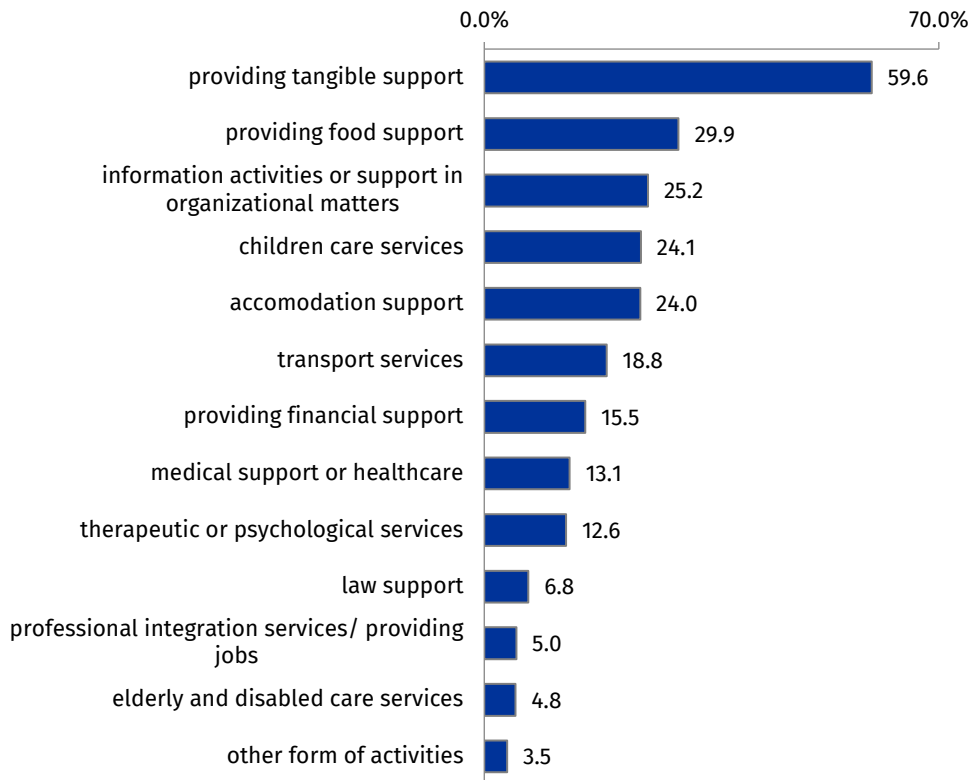
In the period from February 24th to March 31st, 2022, 3.5 thousand (37.1%) of public benefit organizations undertook additional activities for those in need due to hostilities in the territory of Ukraine, of which 4.0% of PBOs provided their support both in territories of Poland and Ukraine.

The main recipients of aid from public benefit organizations were natural persons - they were supported by 77.4% of entities. The organizations directed support to 2.8 million recipients, providing funds and tangible support with a total value of PLN 275.7 million.

As part of the assistance services, PBOs most often provided: food support (29.9%), information activities or support in organizational matters (25.2%), children care services (24.1%) and accommodation support (24.0%).

In the period from February 24th to March 31st, 2022, additional activities for those in need due to hostilities in the territory of Ukraine were undertaken by 3.5 thousand PBOs (37.1%)

Chart 2. Percentage of public^a benefit organizations by form of support due to hostilities in territory of Ukraine in the period from February 24th to March 31st, 2022



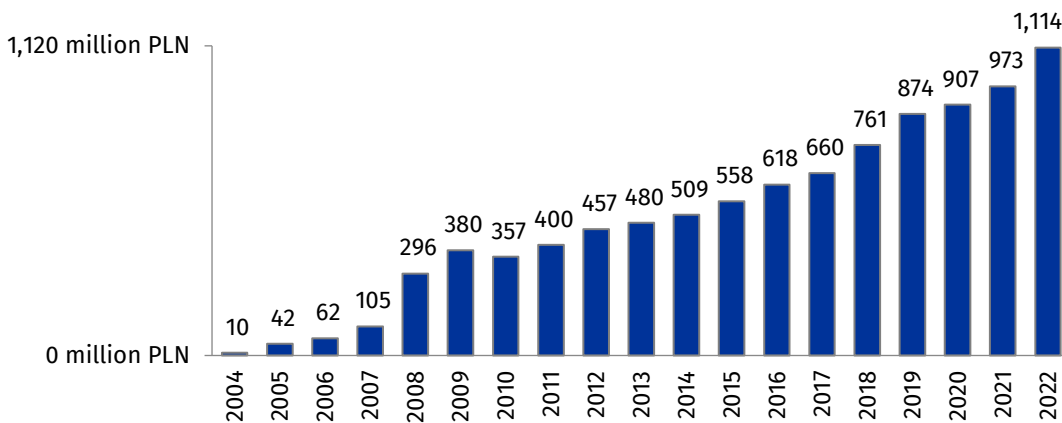
^a The percentages are based on the organizations that provided assistance. Data in the chart do not add up to 100% due to the possibility of indicating more than one answer.

Funds transferred to PBOs within 1%

In 2022, PBO’s revenues from 1% amounted to over PLN 1,114 million and were by PLN 141 million higher than the year before and 2.8 times higher than 2011.

The average revenues from 1% of PIT in 2022 amounted to PLN 125.0 thousand and were by PLN 12.9 thousand higher than the year before

Chart 3. Total funds transferred to PBOs under the 1%^a mechanism in 2004-2022



^a The data is presented by the year in which the funds were transferred to PBO, and not the year to which the tax return pertained, e.g. data for 2022 refer to a 1% tax deduction for 2021.

From 2011 to 2022, the average receipts from 1% of PIT per one PBO increased by PLN 63.5 thousand (from PLN 61.5 thousand to PLN 125.0 thousand). Between 2011 and 2018, the amount of the median decreased, which indicated a deepening stratification between organizations. In 2019, this trend was reversed and in 2022 the median reached the highest value since 2011 (PLN 6.0 thousand). However, this did not stop the growing differentiation between the average and the median. In 2022, the value of the median was over 20 times lower than the average, while in 2011 it was almost 11 times lower.

Table 1. Amounts of 1% of PIT transferred to PBOs^a in 2011-2022 (in PLN thousand)

SPECIFICATION	Average (in PLN thousand)	Median (in PLN thousand)	Average to median ratio
2011	61.5	5.8	10.6
2012	66.7	5.7	11.7
2013	67.5	5.5	12.3
2014	68.1	5.2	13.1
2015	70.7	5.0	14.1
2016	76.2	5.0	15.2
2017	80.1	4.9	16.3
2018	87.7	4.9	17.9
2019	99.2	5.5	18.0
2020	104.2	5.7	18.3
2021	112.1	5.7	19.7
2022	125.0	6.0	20.8

^a Calculated for PBOs that had revenues from 1% of PIT in a given year.

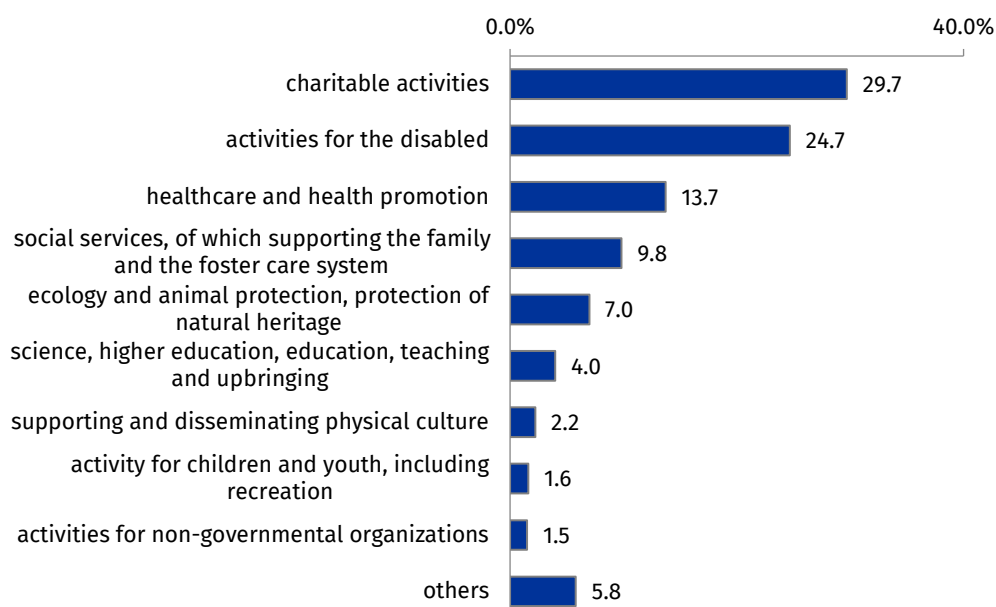
In 2022, the number of PBOs whose revenues from 1% of PIT exceeded PLN 1 million was approximately 0.1 thousand entities (1.4%), and they received 73.6% of the total amount of funds transferred to PBOs under the 1% mechanism.

Characteristics of 1% of PIT

The structure of the number of PBOs and revenues from 1% of PIT differed significantly in 2021. The largest part of public benefit organizations were associations and similar organizations (64.7%), followed by foundations (33.6%) and faith-based charities (1.5%). Although associations and similar organizations constituted the dominant part of PBOs, 78.5% of funds from 1% of PIT went to foundations, compared to 19.5% for associations and similar organizations and 2.0% for faith-based charities.

In 2021, 78.5% of funds transferred under 1% of PIT went to the foundation

Chart 4. Structure of 1% of PIT costs incurred by the sphere of public benefit activity in 2021



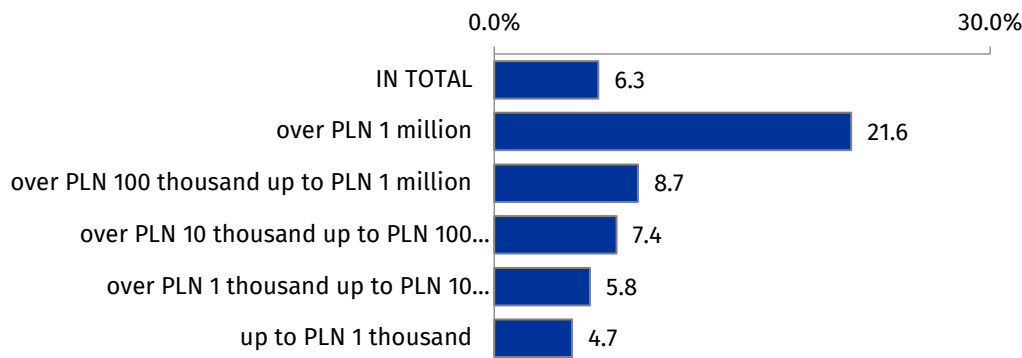
The sphere of public benefit activities in which PBOs incurred the highest costs by spending funds from the 1% of PIT in 2021 was charitable activities (29.7%), followed by activities for people with disabilities (24.7%). Subsequently, funds from 1% of PIT were allocated for public benefit activities for the healthcare and health promotion (13.7%) and for social services, of which supporting the family and the foster care system (9.8%).

PBOs information activities

In 2021, the vast majority of organizations with public benefit status reported on their activities (88.1%). This percentage decreased by 2.1 percentage points compared to 2019. The most frequently used medium was the Internet (75.5%). Other mass media, such as happenings and rallies, leaflets, posters and books, were used less frequently (52.2%). Traditional media, i.e. the press, radio or television, were chosen the least frequently in PBOs communication (30.1%).

In the years 2015-2021 the percentage of PBOs informing about their activities via traditional media: press, radio or television is successively decreasing (in 2015 it was 41.5% and in 2021 - 30.1%), and - by other means of communication (62.1% and 52.2%, respectively). On the other hand, the share of PBOs providing information via the Internet increased (from 73.9% to 75.5%).

Chart 5. Percentage of PBOs using free access to public media according to the amount received from 1% of PIT in 2021



Among the PBOs that submitted a substantive report on their activities for 2021, only 6.3% declared that they used the possibility of free-of-charge information provided by the public media on their public benefit activities. The percentage of PBOs that took advantage of this privilege was 0.4 percentage point lower than in the previous year, but while compared to 2015 an increase of 0.9 percentage points occurred.

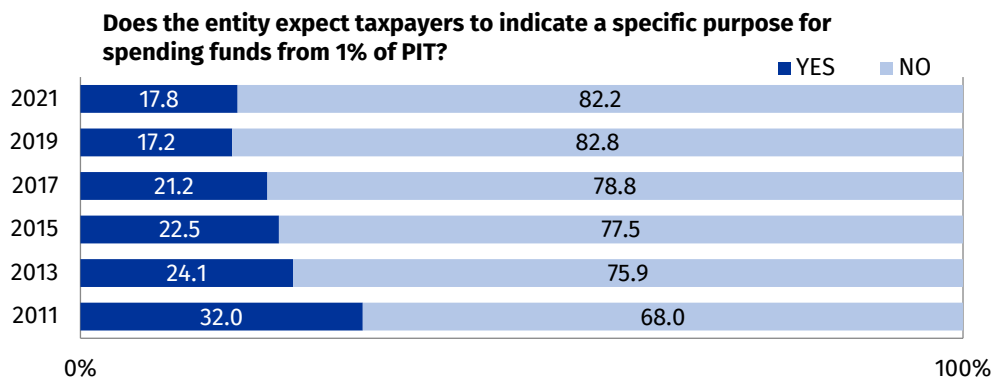
The possibility of free access to public media was most often used by PBOs that received over PLN 1 million under the 1% of PIT mechanism (21.6%), and least often by entities whose receipts did not exceed PLN 1 thousand (4.7%). However, the percentage of PBOs using the possibility of free access to public media, which had the highest revenues with 1% of PIT (above PLN 1 million) decreased compared to 2019 (from 23.1% to 21.6%).

Indication of the purposes of spending funds from 1% of PIT by taxpayers

Taxpayers on the tax return may indicate the specific purpose of the method of spending the funds transferred under 1% of PIT. Only some taxpayers use the possibility of indicating the purpose of a detailed deduction. In 2021, as in the previous years, 6 out of 10 PBOs reported that the taxpayers from whom the funds were transferred did not indicate a specific purpose for spending 1% of PIT.

However, a strong differentiation of organizations was observed, if the amount received from 1% PIT is taken into account. In the group of entities that in 2021 obtained over PLN 1 million revenues from 1% of PIT, the percentage of organizations to which taxpayers indicated specific objectives was almost 5 times higher than in PBOs, that obtained less than PLN 1 thousand under 1% of PIT (respectively 78.4% and 15.9%).

Chart 6. PBOs expectations in terms of indicating the purposes of spending 1% of PIT



Most PBOs entitled to a 1% of PIT deduction in 2021 would like to independently decide on the allocation of the received funds (82.2%). The percentage of such organizations decreased by 0.6 percentage points compared to 2019, while compared to 2011 it increased by 14.2 percentage points. According to declarations, in 2021 the vast majority of PBOs took into account taxpayers' preferences as to the direction of spending funds (87.2%).

Privileges enjoyed by PBOs

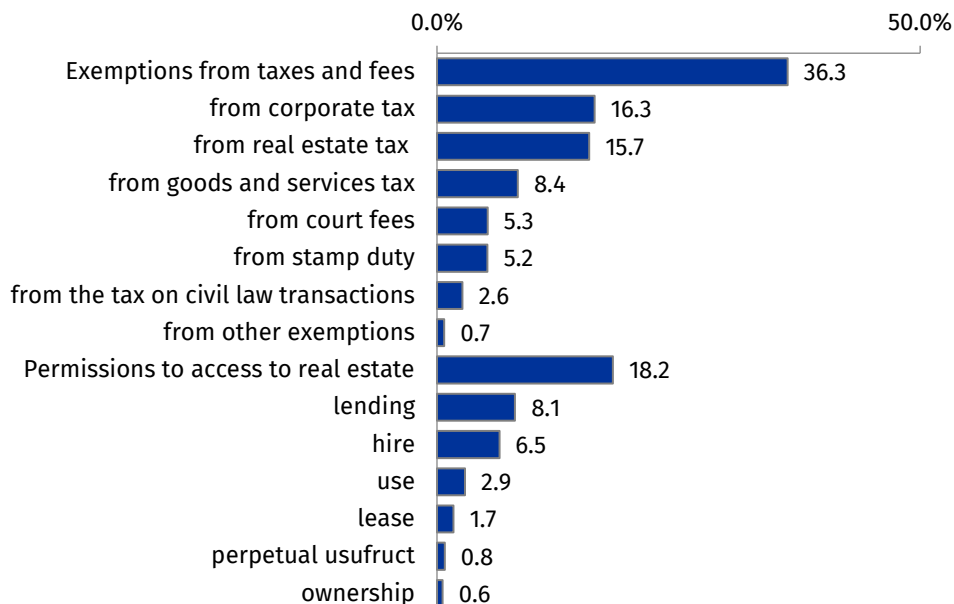
PBOs may enjoy various privileges, including: the right to exemptions from taxes and fees, as well as from the use of real estate owned by the State Treasury or local government units on preferential terms. In 2021, 36.3% of PBOs reported that they had used at least one type of exemption from taxes or fees, while 18.2% - from rights related to access to real estate.

Legal and tax privileges were used by 41.5% of PBOs, tax exemptions (32.9%) were chosen more often than fee exemptions (8.7%). The percentage of PBOs benefiting from tax privileges varied depending on the amount of income from 1% of PIT - among organizations with the lowest revenues (up to PLN 1 thousand) it was almost three times lower than in the case of PBOs with revenues exceeding PLN 1 million (25.2% and 78.4%).

The most frequently used tax privilege was the exemption from corporate income tax, which takes into account the income allocated for statutory purposes - it was used by 16.3% of PBOs, 15.7% of them took advantage of real estate tax exemptions and almost half less of them (8.4%) opted for VAT exemptions. Other types of tax privileges were used by PBOs relatively rarely.

PBOs used the right to exemptions from taxes and fees more often than the privilege of using real estate on preferential terms (36.3% to 18.2%)

Chart 7. Percentage^a of PBOs benefiting from exemptions and entitlements in 2021



^a Percentages do not add up as more than one answer could be given.

In practice, privileges regarding access to real estate are not often used. Only 8.1% of PBOs had the possibility to use state or local government real estate in the form of lending. Even fewer organizations took advantage of the lease (6.5%), while real estate was very rarely transferred for perpetual usufruct or ownership (0.8% and 0.6%, respectively).

In 2017-2021, the percentage of public benefit organizations that used exemptions from taxes and fees increased (from 34.4% in 2017 to 36.3% in 2021). On the other hand, there was a decrease in the percentage of PBOs that used the right to use real estate owned by the State Treasury or local government units on preferential terms (from 19.6% in 2017 to 18.2% in 2021).

Methodological annex

Data from both administrative sources and Statistics Poland surveys were used to prepare the signal information. Due to the scope of availability of individual sources, various time series have been taken into account.

The data presented in the information comes from the following sources:

1) the number of registered PBOs for the years 2004-2007 (chart 1) - based on the *Register of associations, other social and professional organizations, foundations, public health care facilities of the Ministry of Justice*.

2) the number of active PBOs for the years 2008-2021 (Chart 1) - data from Statistics Poland reports: SOF-1, SOF-4 or SOF-5.

3) number of public benefit organizations entitled to 1% of PIT - *List of public benefit organizations entitled to receive 1% of PIT for the year ...* from the National Freedom Institute.

4) data on PBOs providing assistance in the period from February 24th to March 31st, 2022 due to the war in Ukraine (Chart 2) - additional questions attached to the SOF-5 report for 2021.

5) the amount of the 1% of PIT deduction (table 1, charts 3, 5) - *List of public benefit organizations that received 1% of the tax due for the year ...* from the Tax Information System of the Ministry of Finance.

6) the structure of PBOs and data on informing about activities, information campaigns, as well as opinions on the goals indicated by taxpayers (Charts 3, 6) were developed on the basis of the results of a study by Statistics Poland: *Cooperation, management and information activities of selected non-profit organizations* (SOF-5 report).

7) cost structure of 1% of PIT according to the sphere of public benefit activity, free access to public media by PBOs, exemptions from taxes and fees, and the right to use real estate on preferential terms (Charts 4, 5 and 7) - *Report on the activities of public benefit organizations for the year ...* from the National Institute of Freedom.

In case of quoting Statistics Poland data, please provide information: "Source of data: Statistics Poland". and in case of publishing calculations made on data published by Statistics Poland, please include the following disclaimer: "Own study based on figures from Statistics Poland".

Prepared by:
Social Surveys Department
Director: Piotr Łysoń. Ph.D.
Phone: (+48 22) 449 40 27







Issued by:
**The Spokesperson for the President
of Statistics Poland**
Karolina Banaszek
Phone: (+48) 695 255 011

Statistical Office in Kraków
Director: Agnieszka Szlubowska
Phone: (+48 12) 420 40 50

Press office

Phone: (+48 22) 608 38 04

e-mail: obslugaprasowa@stat.gov.pl

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Related publications

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[Involvement of social economy entities in providing support due to hostilities in the territory of Ukraine \(February 24th-March 31st, 2022\)](#)

[Cooperation of non-profit organizations with other entities in 2021](#)