



**ADVANTAGES AND DISADVANTAGES OF THE FOUR METHODS  
OF TAX TREATMENT OF CORPORATE MONETARY AND IN-KIND  
DONATIONS: A THEORETICAL STUDY OF INTELLECTUAL  
ENRICHMENT IN THE FIELDS OF TAXATION AND CORPORATE  
PHILANTHROPIC RESPONSIBILITY**

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**Abstract**

This theoretical study attempted to answer the following question: What are the methods of tax treatment of corporate donations and which method is optimal?. By using new distinctive terms and idioms, this study identified and classified all methods that are expected to be used and that can be used (or actually used) for the tax treatment of corporate monetary and in-kind donations into four main methods, according to the researcher's vision and perception. Those methods are:(1) Method of society's rights and then government's rights (tax exemption in the sense of deduction)" donations as if they are operating expenses; (2)Method of society's rights and then government's rights (tax exemption in the sense of restoration" return\ recovering\ retrieval ") " donations as if they are indirect taxes"; (3) Method of government's rights and then society's rights" donations as if they are not granted";(4) Method of government's rights and then corporation's rights in government's rights" donations as if they are loans. The study also identified the advantages and disadvantages of each of the four methods, especially with regard to legal imbalances, economic impacts and the extent of harmony with the content of the idea of corporate social responsibility. By comparing the advantages and disadvantages of these methods, this study recommends the adoption of the method of government's rights and then corporation's rights in government's rights" donations as if they are loans" by legislative bodies in all countries of the world due to the abundance of its advantages. This method is optimal. Given the importance of this method, This study has drawn up a draft law for this method, which could be used as a guide by the legislative bodies, if a decision is made to adopt this method.

**Keywords:** Corporate philanthropy" Corporate social responsibility." Taxation.

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