



DONATING PUBLICLY TRADED SECURITIES

DID YOU KNOW THAT YOU CAN MAKE A GIFT OF PUBLICLY TRADED SECURITIES?

You will receive a donation receipt for fair market value on the date of the gift. Special income tax rules mean that you will not be taxed on the gain. This is far more tax efficient than selling the stock, paying the capital gains tax and donating the proceeds.

Cash vs. In-Kind Securities	Sell securities & donate proceeds	Donate securities "in-kind"
Value of Donation (A)	\$ 10,000	\$ 10,000
Cost Base (B)	\$ 2,500	\$ 2,500
Capital Gain (A-B=C)	\$ 7,500	\$ 7,500
Capital Gain Inclusion Rate (D)	50%	0%
Taxable Capital Gain (CxD=E)	\$ 3,750	\$ -
Tax Payable (E x 40% MTR* = F)	\$ 1,500	\$ -
Donation Tax Credit (A x 40% MTR = G)	\$ 4,000	\$ 4,000
Net Tax Savings (G-F=H)	\$ 2,500	\$ 4,000
Net after-tax Cost of Donation (A-H)	\$ 7,500	\$ 6,000

For illustrations purposes only

*MTR = Marginal Tax Rate