

Scenario: Gifts of Appreciated Securities*

| | Sell shares and donate cash | Donate shares directly |
|------------------------------------|---|--|
| Current value of shares | \$50,000 | \$50,000 |
| Amount paid for shares | \$10,000 | \$10,000 |
| Capital gains | \$40,000 (\$50,00 current value– \$10,000 purchase price) | \$40,000 (\$50,00 current value– \$10,000 purchase price) |
| Tax on capital gains | \$10,700 (\$40,000 capital gains x 50% taxable gains x 53.5%**) | \$0 |
| Tax credit | \$25,200 (\$50,000 donation x 50.4%**) | \$25,200 (\$50,000 donation x 50.4%**) |
| Net cost of gift | \$35,500 (\$50,000 gift + \$10,700 capital gains– \$25,200 tax credit) | \$24,800 (\$50,000 gift – \$25,200 tax credit) |
| Total tax savings from donation | \$25,200 | \$35,900 (\$25,200 + \$10,700 on capital gains) |

* Scenario for illustrative purposes only

** Assumes donation made in Ontario using top marginal tax rate of 53.5% and top donation credit rate of 50.4%



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