



More research.
More survivors.
More life.

Get the facts

Gifts of publicly traded securities

Do you want to make a meaningful donation to the Heart and Stroke Foundation while paying no capital gains tax on appreciated stocks or securities?



A gift of Publicly Traded Securities might be right for you.

Many individuals are turning their investments into gifts for charity. The Federal Budget of May 2006 created a new incentive for gifting marketable securities to public charities by eliminating capital gains tax on such gifts.

How does a Gift of Publicly Traded Securities work?

When you sell an appreciated stock or mutual fund (one that has increased in value since you purchased it), you are required to pay tax on 50% of the capital gain. However, if you donate the securities to charity, you pay no capital gains tax. This makes appreciated stock one of the most cost effective ways to donate to the Heart and Stroke Foundation.

The following example illustrates the benefit of gifting stock to make a donation versus selling the stock and donating the cash to charity:

	Sell Shares and Gift Cash to Charity	Gift Shares to Charity
Proceeds of disposition (a)	\$10,000	\$10,000
Adjusted cost base (b)	<u>\$2,000</u>	<u>\$2,000</u>
Capital gains (c) $c = a - b$	\$8,000	\$8,000
Tax on capital gains (d) $d = (c \times 50\%) \times 46\%^*$	\$1,840	\$0
Donation tax credit (e) $e = a \times 46\%^*$	\$4,600	\$4,600
Net tax savings from donation $e - d$	\$2,760	\$4,600

*The tax rate paid on your last dollar of taxable income.

The information provided is for illustration purposes only. Please consult your financial and/or legal advisor for tax-effective giving that is most suitable for you. Your charitable receipt will be valued based on the closing price on the day when the shares are legally transferred to the Foundation's account.

Heart and Stroke Foundation of Canada
Charitable Registration #: 10684 6942 RR0001

This material provides general information and is not intended to constitute or replace specific professional advice. Donors considering a legacy gift should speak to an advisor with appropriate tax and other expertise to implement a strategy that achieves their objectives.

