



## The Benefits of Gifting Securities

Giftng securities is a cost-effective way to make a donation with a substantial tax incentive. By donating securities, donors pay no tax on capital gains, receive a tax receipt for the fair market value of the securities, and reduce their taxes. The completion of a simple form is all it takes to make an electronic gift of securities to the Toronto Foundation.

### The benefits of donating securities include:

- Satisfaction of seeing your gift put to good use today
- A charitable tax receipt
- No capital gains tax paid

This chart summarizes the benefits of donating securities directly, rather than selling them and donating the profits:

	Sell shares and donate cash	Donate shares directly
<b>Current value of shares</b>	\$ 50,000.00	\$ 50,000.00
<b>Amount paid for shares</b>	\$ 10,000.00	\$ 10,000.00
<b>Capital gains</b>	\$ 40,000.00 <i>(\$50,000 current value - \$10,000 purchase price)</i>	\$ 40,000.00 <i>(\$50,000 current value - \$10,000 purchase price)</i>
<b>Tax on capital gains</b>	\$ 10,000.00 <i>(\$40,000 capital gains × 50% taxable gains × 50%** - assuming gift is made in Ontario at a marginal tax rate of 50%)</i>	\$ -  <i>(no capital gains tax payable on donated shares)</i>
<b>Tax credit</b>	\$ 25,000.00 <i>(\$50,000 donation × 50%**)</i>	\$ 25,000.00 <i>(\$50,000 donation × 50%**)</i>
<b>Net tax savings from donation</b>	\$ 15,000.00 <i>(\$25,000 - \$10,000 tax on capital gains)</i>	\$ 25,000.00
<b>Total tax savings from donation</b>	\$ 15,000.00 <i>(\$25,000 tax credit - \$10,000 tax on capital gains)</i>	\$ 35,000.00 <i>(\$25,000 tax credit + \$10,000 in tax on gain not paid)</i>
<b>Net cost of gift</b>	\$ 35,000.00 <i>(\$50,000 gift - \$15,000 total tax savings)</i>	\$ 15,000.00 <i>(\$50,000 gift - \$35,000 total tax savings)</i>