



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 Oakville Community 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
Current value of shares	\$ 50,000.00	\$ 50,000.00
Amount paid for shares	\$ 10,000.00	\$ 10,000.00
Capital gains	\$ 40,000.00 ((\$50,000 current value - \$10,000 purchase price)	\$ 40,000.00 ((\$50,000 current value - \$10,000 purchase price)
Tax on capital gains	\$ 10,000.00 ((\$40,000 capital gains x 50% taxable gains x 50%**)	\$ 0 (no capital gains tax payable on donated shares)
Tax credit	\$ 25,000.00 ((\$50,000 donation x 50%**)	\$ 25,000.00 ((\$50,000 donation x 50%**)
Net tax savings from donation	\$ 15,000.00 ((\$25,000 tax credit - \$10,000 tax on capital gains)	\$ 25,000.00
Total tax savings from donation	\$ 15,000.00 ((\$25,000 tax credit - \$10,000 tax on capital gains)	\$ 35,000.00 ((\$25,000 tax credit + \$10,000 in tax on gain not paid)
Net cost of gift	\$ 35,000.00 ((\$50,000 gift - \$15,000 total tax savings)	\$ 15,000.00 ((\$50,000 gift - \$35,000 total tax savings)

** assuming gift is made in Ontario at a marginal tax rate of 50%)

For more information, please contact giving@theocf.org

410 North Service Road East Ste. 200 Oakville, ON L6H 5R2 905 844.3562 • www.theocf.org



Building Community Through Philanthropy.

