



Building in  
Brampton, Caledon,  
Toronto & York Region

## Example: Benefits of a Gift of Securities

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

\*Scenario for illustrative purposes only

\*\*Assumes gift made in Ontario at a marginal tax rate of 50%