

Securities

The Federal Budget that was passed on May 2, 2006 included a provision for the complete elimination of the Capital Gains Tax on gifts of publicly listed Appreciated Securities to registered charitable organizations. This provision gives donors an opportunity to realize very significant tax savings when they donate Appreciated Securities to NEWVISIONSTORONTO.

There has never been a better time to donate Appreciated Securities, including:

- ☛ shares
- ☛ bonds
- ☛ warrants and options
- ☛ mutual funds

Some details

- If an individual sells Appreciated Securities during their lifetime, or if these assets are liquidated through their estate after their death, tax must be paid on *50 percent* of the capital gains on those Securities. Donating the Appreciated Securities eliminates a significant tax liability that would otherwise have to be paid: *no Capital Gains Tax*.
- Current Canadian income tax rules do not tax the investment value of the Security until it is sold. At no time can the Securities be sold and cash realized by the taxpayer and then donated.
- The provisions around the Capital Gains Tax require donated Securities to be transferred from the taxpayer's brokerage account to the charity's brokerage account. The donation must not be made to a private foundation.

The type of planning that is necessary when donating securities to charities requires professional advice. Each donor's situation is unique and we recommend a consultation with your financial planner or investment advisor.

To make a donation of stock and/ or securities to NEWVISIONSTORONTO, please contact [Tina Christie](#) at (416) 868- 1493 extension 243

These links will bring you to articles on the subject:

<http://www.moneysense.ca/taxes/capital-gains-explained>

<http://www.theglobeandmail.com/globe-investor/personal-finance/taxes/donate-securities-to-charity-and-be-a-bit-of-a-tax-scrooge/article6270773/>

This chart compares the net benefit of donating qualified Appreciated Securities versus cash to NEWVISIONS TORONTO.

	Sell Securities <i>then</i> donate cash to NVT	Donate Securities <i>directly</i> to NVT
<i>Appreciated Value of Securities</i>	<i>\$25,000</i>	<i>\$25,000</i>
<i>Non-refundable tax credit received</i>	<i>\$11,500</i>	<i>\$11,500</i>
<i>Capital Gains tax</i>	<i>\$5,570</i>	<i><u>No</u> Capital Gains Tax</i>
<i>Tax assistance received</i>	<i>\$11,500</i>	<i>\$17,250</i>
<i>Cost of donation</i>	<i>\$13,500</i>	<i>\$7,750</i>