



EXAMPLE: Gifting Publicly Traded Securities

In Alberta, in-kind gifts may provide almost \$200 of additional tax savings for every \$1,000 of capital gain than would be the case if you sold the shares at a profit and gave the proceeds to charity.

The following chart compares a sale of shares with a gift to Edmonton Community Foundation.

		Sale		Gift
Fair Market Value		\$12,000		\$12,000
Adjusted Cost Base		\$ 2,000		\$ 2,000
Capital Gain		\$10,000		\$10,000
Taxable Capital gain	50%	\$ 5,000	0%	\$- -
Tax payable on taxable capital gains	40%	\$ 2,000	0%	\$- -
After tax proceeds (What you have available to donate)		\$ 8,000	Charity receives	\$10,000
			Donation receipt	\$10,000
			Tax credit (e.g. 50%)	\$ 5,000

Actual cost of making this "in kind" gift	
Value of shares	\$12,000
Less capital gains tax that you don't have to pay	\$ 2,000
Less tax credit for the gift	\$ 6,000
This gift costs (after tax)	\$ 4,000

Tax savings for this "in kind" gift	
No capital gains tax payable	\$ 2,000
Tax credit for gift	\$ 6,000
Total	\$ 8,000

This document is not intended to provide or replace legal and financial advice. Donors and their advisors seeking specific information should contact:

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