

GIFTS OF APPRECIATED SECURITIES

AT-A-GLANCE

- Use appreciated securities to establish a Donor Advised Fund or other type of fund at the Jewish Foundation
- Benefit from the elimination of paying capital gains tax on securities donated to charity



Making a gift of appreciated securities to the Jewish Foundation of Greater Toronto can have many tax and financial benefits. Under the Federal Budget released in May 2006, the capital gains tax was eliminated. This benefit is only available for gifts of publicly-traded securities to charities such as the Jewish Foundation of Greater Toronto.

You may use appreciated securities to establish a Donor Advised Fund, or any other type of fund, at the Jewish Foundation of Greater Toronto. This is an excellent way to receive a tax deduction for the total value of your stock this year, while retaining your right to recommend distributions to charities of your choice in the future. The Jewish Foundation takes care of all the administration of your philanthropy, saving you time and simplifying your charitable giving.

HOW IT WORKS

In the following two examples, we assume a gift of 100 shares of stock which had a cost basis of \$10 per share, but have a market value of \$50; thus, the gift is worth \$5,000.

EXAMPLE 1: The gift was made to a charity. There will be no capital gain.

Capital gain	nil
Taxable capital gain	nil
Tax on gain at 45%	nil
Value of tax credit (45% of \$5,000)	\$2,250

On this gift of \$5000, the donor gets net tax relief of \$2,250.

EXAMPLE 2: If you decided to sell the stock on the market and donate the after-tax proceeds, the difference would be dramatic.

Capital gain	\$4,000
Taxable capital gain	\$2,000
Tax on gain at 45%	\$ 900
Donation of cash after tax	\$4,100
Tax credit on cash donation	\$1,845

The charity gets only \$4,100; the net tax benefits of the gift to the donor is \$945.

Please consult your tax or estate planning professional to determine what is best for you.

CALL 416-631-5703 TODAY

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