

### Security Donation Example

Let's say you purchased common shares in ABC Company for a cost of \$1,000. If the current market value of those shares has increased to \$10,000, you would have a capital gain of \$9,000. If you sell those appreciated shares and donate the cash proceeds to Whistler Community Foundation, you'll owe tax on 50% of the capital gain. But when you donate and transfer the shares directly to Whistler Community Foundation, you owe no capital gains tax and you're able to receive a charitable tax receipt for the full value.

By donating shares directly instead of selling and donating the cash proceeds, you can save on taxes overall while donating the same value amount to charity.

	Sell securities and donate cash proceeds to Whistler Community Foundation	Donate securities direct to Whistler Community Foundation
Cost of securities	\$1,000	\$1,000
Current market value of securities	\$10,000	\$10,000
Capital gain	\$9,000	\$9,000
Tax on capital gain	\$1,980 <sup>1</sup>	\$0
Donation amount after tax	\$8,020 <sup>2</sup>	\$10,000
Charitable tax credit	\$3,457 <sup>3</sup>	\$4,323

*Note: These are general figures for the purpose of illustration and do not constitute legal or financial advice. We encourage you to seek professional legal and/or financial advice before deciding on your donation to charity of the capital gain.*

<sup>1</sup> This assumes a 44% marginal tax rate. For calculating capital gain tax, this rate is applied to 50%

<sup>2</sup> \$8,020 represents the full value of \$10,000 donation minus estimated capital gain tax of \$1,980.

<sup>3</sup> Charitable donation tax credits in BC for 2015 on donation amount after tax.