

Benefits of Donating Securities

The chart below illustrates what happens if a donor sells his or her shares and then either donates the after-tax proceeds or donates the shares directly to the ALS Society of BC.

In the example, if you purchased common shares in ABC Company for \$1,000, and then sold them a few years later for \$5,000, you would have a capital gain of \$4,000.

By donating shares directly, you receive a larger tax credit and you give more support to the [programs and support service](#) of the ALS Society of BC.

	Sell securities for cash. Donate after-tax proceeds.	Donate securities directly to ALS Society of BC
Original Cost of Security	\$1,000	\$1,000
Current Market Value	\$5,000	\$5,000
Tax on Capital Gains	\$920	\$0.00
Donation Amount After Tax	\$4,080.00	\$5,000
Your Charitable Tax Credit	\$1,876.00	\$2,300

Your charity gets \$920 more!

Your charitable tax receipt is \$424 more!

1. This assumes a 46% marginal tax rate. For calculation of the capital gains tax, this rate is applied to 50% of the capital gain.
2. \$4,080 represents the full value of \$5,000 minus an estimated tax of \$920.

These are general figures for the purpose of illustration. They do not constitute legal or financial advice. It is encouraged that as a donor, you seek professional legal and/or financial advice before deciding on your donation to the society.

The chart and illustration is through the courtesy of [CanadaHelps.Org](#)