

DONATING A GIFT OF STOCK TO StFX BRINGS FINANCIAL REWARDS

Absolutely no tax is paid on the capital gain if a stock is donated to StFX

- A recent federal budget included a provision that eliminates the capital gains tax on donations of publicly traded securities and mutual funds to charities such as StFX.
- Effective immediately, capital gains do not have to be included as part of the donor’s income if the stock is donated directly to the university.

The following illustrates the advantages of contributing gifts of stocks, securities or cash. For the purpose of this illustration, we have assumed that the taxpayer is subject to a marginal tax rate of 50% and that he/she has made other charitable donations of at least \$200.

TAX BENEFIT FOR CHARITABLE DONATIONS	Donating Cash From Sold Stock	(Old system, 25% inclusion rate) Donating Stock	(New system, 0% inclusion rate) Donating Stock
Market value of publicly traded stock or securities	\$25,000	\$25,000	\$25,000
Assumed adjusted cost base (original cost of stock)	12,500	12,500	12,500
Capital gain	12,500	12,500	12,500
Taxable capital gain (50% vs. 25% vs. 0%)	6,250	3,125	0
Estimated income tax payable on the capital gain (at 50% tax rate)	3,125	1,562	0

NOTE: *These calculations are based on assumptions and are only an example. We recommend that you consult with your tax advisor.*



FOR FURTHER INFORMATION, CONTACT:
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