

DONATION OF SECURITIES - A WIN for Charities, for Donors, and for Advisors

Donations to Canadian charities could rise by as much as \$500-million annually because of a tax change announced in the 2006 federal budget.

The budget calls for the **elimination of capital gains tax** on donations of publicly traded securities to charities. Until now, if shares were donated, 25 per cent of any capital gain on the stock needed to be included in a donor's income.

Since the capital gains inclusion rate was initially reduced in 1997, donations of listed securities grew from \$69 million to about \$200 million in 2004. While many factors influence the donation of listed securities, it is estimated that the elimination of the capital gains tax on these donations may support about \$300 million in annual donations in Canada.

The changes mentioned above apply to donations made to charities and public foundations. Although there will be further discussion with government decision makers, donations to private foundations do not fall under these new regulations.

These changes offer a wonderful opportunity for your clients to use a public foundation such as the Canadian National Christian Foundation to take care of the sale of donated securities and the distribution of funds to a donor's desired charities. **One donation - one tax receipt**, with one or many charities benefiting. While they decide on what charities to distribute to, or while the funds are held as endowment funds, **you can continue to hold and manage the assets**.

God is asking you to teach stewardship principles to your clients to accomplish His work, and now is the perfect time to make those plans. Give us a call at 1-866-336-3315 or send us an email at info@cncf.ca. We'll take care of all the details.