

Help our church while saving yourself more taxes!

Did you know that you may save taxes if you donate publicly traded securities directly to a registered charity? This is a smart and tax-effective alternative to donating cash—but how you structure the charitable donations can be as important as the amount given.

Personal Donations

A donation of capital property is considered a disposition for tax purposes, which may result in a capital gain. However, there is an exception to this rule where eligible property is donated directly to a government-recognized charity (e.g., church). Eligible property generally includes securities, such as shares and bonds, that are listed on a designated stock exchange as well as mutual fund units. **For such donations, the taxable portion of the gain is reduced from 50% to nil so that the disposition of the security to the charity is fully exempt from capital gains tax.** To be eligible for this favourable tax treatment, you must donate the security directly to the charitable. On the other hand, if you sell the security in the open market and then donate the cash, you will be subject to tax on any resulting capital gain. By donating the shares directly, the charity benefits by receiving the full value of the shares. At the same time, you will benefit by paying no tax on the disposition and receiving a charitable donation receipt for the fair market value of the shares at the time of the donation. This can result in a significant tax benefit for anyone with charitable intent.

Corporate Donations

You may receive more benefit if you donate publicly traded securities or mutual fund units held by your corporation rather than cash where there is an accrued gain. The tax-free portion of the capital gain on such donations, which is 100% as opposed to 50%, will be added to your private corporation’s capital dividend account (CDA) and which may subsequently be withdrawn tax free from your corporation.

An example of the potential tax benefit is illustrated in the table below (assuming the donor is personally taxed at a top marginal rate of 50% and a donation receives a combined federal and provincial tax credit of 50%):

DESCRIPTION	SALE OF SECURITIES AND CASH DONATION	DONATION OF SECURITIES
VALUE OF SHARES/ DONATION (A)	\$5,000	\$5,000
COST BASE OF SHARES (B)	\$1,000	\$1,000
CAPITAL GAIN ((A - B) = C)	\$4,000	\$4,000
CAPITAL GAIN INCLUSION RATE (D)	50%	0%
TAXABLE CAPITAL GAIN ((C X D) = E)	\$2,000	\$ NIL
TAX ON TAXABLE CAPITAL GAIN (EX 50%)	\$1,000	\$ NIL
DONATION TAX CREDIT (A X 50%)	\$2,500	\$2,500
NET TAX SAVINGS (TAX LESS DONATION CREDIT (F))	\$1,500	\$2,500
NET AFTER-TAX COST OF DONATION (A - F)	\$3,500	\$2,500

In this example, the individual saves \$1,000 in tax if the securities are donated directly to a registered charity as opposed to making a cash donation of the same value as the shares.

Disclaimer: This is only a simplified example. Everyone’s tax situation is different so please consult your tax advisor before making a sizable donation.

幫助教會也為你多省一點稅款!

你是否知道假如你向註冊慈善機構捐贈公開買賣的證券，可以為你節省多一點稅款？捐贈證券比捐贈現金，可能為你帶來更佳的稅務效益。

個人捐獻

假如捐贈者賣出已增值的投資，然後將所賣得的金額全數作慈善捐贈，捐贈者仍然要為已賣的增值投資繳付增值稅款。然而，此條例有一例外情況，就是：捐贈者把在市場公開買賣的股票、債券或互惠基金，直接捐贈給政府認可的慈善機構(例如教會)。這樣，原本應課增值稅的稅率，將由 50% 減至 0%。換句話說，該項投資無需繳付增值稅。要享受這種稅務優惠，你必須把該證券，直接轉戶給慈善機構(教會)，而不是先在市場出售，然後捐贈現金；因為透過後者，你將要就從該交易獲得的任何資本收益納稅。把證券直接捐贈予慈善機構，不但該慈善機構能獲取所得捐贈投資的全數利益；同時，捐贈者也可獲取全數捐贈金額的退稅收據(charitable donation receipt)，得免繳付增值稅。雙重好處、一舉兩得!

公司捐獻

若你以私人公司名義把在市場公開買賣的股票、債券或互惠基金代替以現金作捐獻，稅務效益會更大。此類捐贈的資本利得的免稅部分將是 100% 而不是 50%；而該部份將獲加進到你私人公司的資本股息帳戶 (Capital Dividend Account) 中，日後你可從這帳戶中免稅提出資金。

計算分析	賣掉證券捐現金	證券捐贈
證券市值/ 捐贈總數 (A)	\$5,000	\$5,000
購入成本(B)	\$1,000	\$1,000
資本增值 ((A-B)=C)	\$4,000	\$4,000
資本增值上報比例 (D)	50%	0%
需報稅資本增值 ((CxD)=E)	\$2,000	\$NIL
資本增值稅 (EX50%)	\$1,000	\$NIL
捐款退稅金額 (AX50%)	\$2,500	\$2,500
淨稅務節省 (增值稅減退稅金額 (F))	\$1,500	\$2,500
淨除稅後捐獻成本(A-F)	\$3,500	\$2,500

註：

- 以上例子，是一位邊際稅率 50% 的個人捐贈者，就以上兩種不同方式捐贈的稅務效益作一比較。
- 根據以上例子，把手上證券直接捐贈，比賣出證券然後捐贈現金，可節省 \$1,000 元稅款。
- 免責聲明：以上只是一個簡化的例子。由於每個人的稅務狀況不同，作出大額捐贈前，應先諮詢你的稅務顧問。