**The Benefits: Save More, Give More**

The Canada Revenue Agency does not apply capital gains tax on donations of publicly traded securities. *Capitals gains* are the increase in the value of your securities over the price you paid at purchase.

When you sell your shares for cash, you’re responsible for the tax due on the gain, even if you plan to donate the proceeds from the sale. If you pay the tax out of those proceeds, there’s less money left to donate. Your charity receives a smaller donation and you have a smaller donation to claim for your charitable tax credit at the end of the year.

But when you donate your securities directly through CanadaHelps, those capital gains aren’t subject to tax. This means your charity receives a larger gift, and you’ll benefit from a tax receipt for the full value of your eligible securities or mutual funds.

**Here’s an example of how it works.**

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 $5,000, you would have a *capital gain* of $4,000.

If you **sell those shares and donate the cash proceeds**, you’ll owe tax on the capital gain. So, you set aside the taxes due from the proceeds, leaving you with less than the full cash value to donate and a tax receipt which reflects the smaller donation.

But when you **donate the shares directly**, you owe no capital gains tax and you’re able to donate the full value. So your charity gets a larger donation and you get a tax receipt which reflects your larger contribution.

**Here are some approximate figures to illustrate:**



In this illustration, you’re able to donate the full value of your securities to charity: $5,000.00. Your tax credit on that amount would be approximately $2,300, or about $920 more than if you had sold the shares and donated the proceeds as cash.

By donating shares directly, you can save on taxes while you’re offering more help to the charities you care about most.