



THE BLOOM GROUP

Community. Services. Together.

GIFTS OF PUBLICLY TRADED SECURITIES

When you make a gift of publicly traded securities (including mutual funds) to a public charity like The Bloom Group, you are now fully exempt from tax on the gain. If you sell those securities instead of donating them, you will be taxed on 50% of the gain.

In the case of other property, such as real estate and works of art (other than cultural property), you are taxed on 50% of the gain whether you sell or contribute the assets.

Here's an example: If you contribute publicly traded securities with a current fair market value of \$10,000 and a cost base of \$2,000, you will be fully exempt from tax on the gain of \$8,000. Your tax credit will be \$4,500, resulting in tax savings of \$4,500 on other income sources. If you had sold the securities, you would have been taxed on \$4,000 of the gain, and you would have paid \$1,800 in taxes, again assuming a 45% combined rate.

You can also give depreciated securities, realize the capital loss and apply the loss against past and future capital gains. Your charitable tax receipt for the value of the donated securities can offset taxes you would otherwise pay. Capital losses in Canada can be carried back three years and forward indefinitely to offset capital gains.

When you choose to donate publicly traded securities to The Bloom Group, simply notify your broker and ask them to contact Cindy Graves, Director of Development and Communications, at 604-606-0306. Most transfers are done electronically or by signing the share certificate.