



	Sell shares and donate cash	Donate shares directly
Current value of shares (a)	\$50,000	\$50,000
Amount paid for shares	\$10,000	\$10,000
Capital gains	\$40,000 <i>(\$50,000 current value - \$10,000 purchase price)</i>	\$40,000 <i>(\$50,000 current value - \$10,000 purchase price)</i>
Tax on capital gains	\$10,000 <i>(\$40,000 capital gains x 50% taxable gains x 50%*)</i>	\$0 <i>(no capital gains tax payable on donated shares)</i>
Tax credit	\$25,000 <i>(\$50,000 donation x 50%*)</i>	25,000 <i>(\$50,000 donation x 50%*)</i>
Net tax savings from donation	\$15,000 <i>(\$25,000 tax credit - \$10,000 tax on capital gains)</i>	\$35,000 <i>(\$25,000 tax credit + \$10,000 in tax on gain not paid)</i>
Net cost of gift	\$35,000 <i>(\$50,000 gift - \$15,000 total tax savings)</i>	\$15,000 <i>(\$50,000 gift - \$35,000 total tax savings)</i>

\*Assumes gift made in Ontario at a marginal tax rate of 50%