

## **SUPPORT YOUR FAVORITE CHARITIES AND SAVE TAX \$\$\$'S.**

### **Tax Facts for Donations:**

1. If you donate to a charity you will receive a tax credit which will reduce the taxes owing.
2. If you do not owe any taxes the credit will be carried forward
3. No matter what tax bracket you are in you will save 25.8% on the first \$200.00 donated and 46.4% on the balance. The result is that if you are paying tax in the low bracket of 25.8% you will get tax refunded to you at a higher rate.
4. If you transfer certain stocks, mutuals, ecological land or interest in a segregated fund trust you may be able to avoid being taxed on the capital gain as well as claiming the credit for the charitable donation.
5. If you are needing to withdraw RRSP or RRIF funds the donation will completely offset the tax cost of withdrawing the funds.

### **Examples**

#### **Cash Donation of \$1,200.00**

\$ 200.00	\$ 51.60	25.8%
\$ 1,000.00	\$ 464.00	46%
<u>\$ 1,200.00</u>	<u>\$ 515.60</u>	

#### **Stocks, mutual funds etc, donated directly**

Fair Market Value	\$ 1,200.00
Cost	<u>\$ 100.00</u>
Gain on disposition	\$ 1,100.00

Tax on gain	\$ 166.50
Charitable credit	<u>\$ 515.60</u>
total tax savings	\$ 682.10

#### **Withdrawal of RRSP**

No cost to withdraw the RRSP  
The tax credit offsets all the tax owing  
Depending on your tax bracket there may be extra tax refunded.

**YOU SHOULD CONTACT YOUR OWN ACCOUNTANT TO SEE  
HOW YOU MAY USE THESE CREDITS TO BENEFIT YOUR  
OWN PERSONAL TAX SITUATION.**