

Stratford and Perth County Community Foundation Applauds New Federal Tax Change

Incentive is good news for donors and local charities

STRATFORD (May 3, 2006) – Charitable giving got a significant boost from the federal government in its recent budget, with a tax change that will benefit donors, community foundations and the local charities they support, said Tim MacDonald, Board Chair of the Stratford and Perth County community Foundation.

Canadians who donate stock to their local community foundation will now pay no capital gains tax on the growth of those shares, thanks to the new provision announced in Tuesday's budget.

"This is fantastic news for donors who want to make a difference in their community and are looking for ways to reduce their tax bill at the same time," said Mr. MacDonald. "Community foundations saw a dramatic increase in donations when the capital gains tax on shares was reduced. Eliminating the tax on gifts of stock is an incredible incentive to give."

In 1997 the federal government reduced capital gains tax on donations of stock by 50 per cent. The result was a three-fold increase in gifts of publicly traded securities to charities -- from \$69.1 million to \$200.3 million between 1997 and 2000. The percentage of stock donations jumped from 1.6% to 3.9% of all donations.

A recent TD Economics report shows that Canadians hold \$1.3 trillion in stocks – almost half of which are unrealized capital gains.

"This change could translate into hundreds of millions dollars in new donations," said Monica Patten, President and CEO of Community Foundations of Canada.

In 2000, during the high-tech boom, more than 60% of community foundation donations came in the form of securities. Last year community foundations received more than \$40 million in gifts of appreciated securities. Last year approximately 25% of the endowed gifts received by the Stratford and Perth County Community Foundation came in the form of appreciated stock.

The Stratford and Perth County Community Foundation is one of over 150 community foundations across Canada. Community foundations connect people, who have an idea or dream to improve their community, with projects, causes, and organizations that will help bring their dream to fruition. The Stratford and Perth County Community Foundation is dedicated to strengthening the community and improving the quality of life today and in the future for the residents of Perth County.

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