

## Donation Factor - Securities

An individual charitable donor has made an unrealized capital gain on a listed security. Due to the tax treatment of donations in kind and of capital gains, the after tax cost of the donation is reduced significantly.

	Donate Cash	Sell Shares & Donate Cash	Donate Shares
Proceeds/Donation	\$10,000	\$10,000	\$10,000
Original Cost	\$10,000	\$1,000	\$1,000
Capital Gain	N/A	\$9,000	\$9,000
Tax on Capital Gain	N/A	\$1,980*	<b><u>\$0</u></b>
Donation Tax Credit	\$4,500	\$4,500	\$4,500
Net Tax Savings	<b><u>\$4,500</u></b>	<b><u>\$2,520</u></b>	<b><u>\$4,500</u></b>
			*45% Marginal Tax Rate