



YELLOWKNIFE HERITAGE STOCK DONATIONS

If you currently own shares in a company, you can donate them to a trust fund and get a receipt, which can be used for a deduction on your income tax. This is a great way for you to support a cause or group and get a break on your Taxes as well!

Our Society has two trust Funds, which are administered by the Yellowknife Community Foundation. Income from the **NWT Mining Heritage Trust Fund** will be used to maintain our displays and facilities. The **Walter Gibbins Memorial Trust Fund** is used to maintain a mineral collection and to promote geological education and awareness in the NWT.

Here is an example of how this works. Let us suppose that you have stock in a mining company. The stocks cost you \$20,000.00 (ACB) and it now has a current fair market value of \$30,000.00 (FMV). If you were to sell the stock you will have a capital gain. It would be \$30,000.00 FMV minus \$20,000.00 ACB for a \$10,000.00 capital gain. Fifty percent of the capital gain is taxable so you would be paying tax on \$5,000.00.

You can donate the stock to a trust fund and designate the value of the shares. So you could choose any amount between the cost (ACB) of \$20,000.00 and the fair market value (FMV) of \$30,000.00 and that amount would give you an Income Tax deduction. Whether you pick the high value or low value will in part depend on your personal tax situation.

Let us assume you designate \$30,000.00 as the value of the stocks. The capital gain would be \$10,000.00 of which 50% is taxable. So you would pay tax on the \$5,000.00 capital gain and you would get an Income Tax deductible charitable donation for \$30,000.00.

If you decide to designate \$20,000.00 as the value of the stocks the capital gain would be \$0.00 and 50% of zero is still zero. So you would no longer pay capital gain tax and would get an Income Tax deductible charitable donation for \$20,000.00.

If you would like more information on how you can donate to these trust accounts please contact the Yellowknife Historical Society Coordinator.

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