



MEDIA RELEASE

COMMUNITY FOUNDATION APPLAUDS NEW FEDERAL TAX CHANGE **Incentive is good news for donors and local charities**

Mississauga, ON, May 03, 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 Eileen MacKenzie, Executive Director, of the Community Foundation of Mississauga.

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 MacKenzie. "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 across Canada received more than \$40 million in gifts of appreciated securities.

The Community Foundation of Mississauga is a registered charitable, public foundation that assists donors by helping them support the charitable causes and projects that are important to them. By working with donors to create endowed funds, the Community Foundation of Mississauga helps to ensure sustainable funding for a broad range of charitable initiatives, meeting the needs of a growing and dynamic community.

To learn more about the Community Foundation of Mississauga, call 905-897-8880 or email the organization at info@CFofM.org

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Media Contact:

Eileen MacKenzie, Executive Director
905-897-8880
emackenzie@CFofM.org